

The **NATIONAL UNDERWRITER**



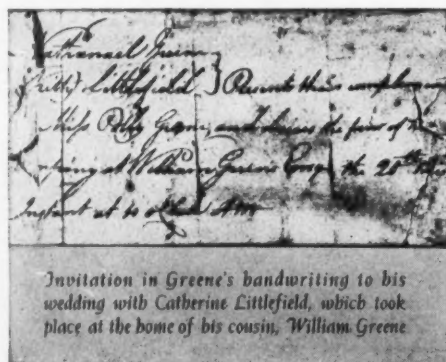
“United We Stand”

THURSDAY, JULY 9, 1942



"...great as a soldier...immaculate as a friend..."

BORN AUGUST 7, 1742 at Potowomut, Warwick, Rhode Island, Nathanael Greene was permitted only an elementary education but trained, like his brothers, to work at the old forge mill. In spite of this scant formal schooling, Nathanael educated himself to the point where for relaxation he read the Latin poets in the original by the light of the camp fire. When about 32 he married Kitty Littlefield of Block Island. She, who was "singularly lovely... and animated," had a buoyant influence upon Greene, especially during difficult military days. General Greene loved to watch her dancing with his dear friend and fellow officer, "Mad Anthony" Wayne, "while the two of them flirted desperately." In the winter of 1778 George Washington danced for "four hours with Mrs. Greene without once sitting down."



Invitation in Greene's handwriting to his wedding with Catherine Littlefield, which took place at the home of his cousin, William Greene

At the news of fighting, Nathanael left for Boston and was placed in charge of troops after evacuation by the British. Active in the defense of New York, then with Washington at Trenton, and finally as commander of the Southern army, Greene evidenced true genius as a soldier, strategist and technician. After the War,

Famous American Homes

Nathanael Greene

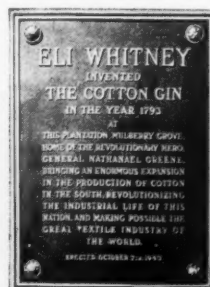
A New England Blacksmith became a Southern Hero

"If thee must engage in this carnal warfare in defence of thy country, never let me hear of thee being wounded with thy back to the enemy." This is the stern admonition Mary Mott Greene is said to have given her son, whose Quaker ancestors helped establish Rhode Island.



Greene's birthplace in Warwick, Rhode Island, showing the forge in the foreground

for his great service in the cause of Independence, Georgia made a present to Greene of one of its finest plantations, Mulberry Grove; and because of his known affection for his brilliant friend, gave the adjoining plantation to Wayne. Greene took up his residence at Mulberry Grove late in 1785 and the following June died there of sunstroke. He was buried in Savannah, in the cemetery of Christ Church. No tablet was erected and, peculiarly, the whereabouts of Greene's burial plot became obscure, then lost; and it was not until 1901, 115 years after his interment, that his remains were discovered and identified.



Plaque dedicated to Eli Whitney at Mulberry Grove, Ga., in 1940

A few years after her husband's death Mrs. Greene gave shelter to a friend of the family tutor, a Yale graduate named Eli Whitney who had come south but was disappointed in not getting a teacher's position. At Mulberry Grove, with the aid and encouragement of Mrs. Greene, Eli Whitney conceived and completed his cotton gin. The house at Mulberry Grove remained standing until the year 1864 when, lying in the path of Sherman's army, it was destroyed in the March to the Sea. The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

★ THE HOME ★

Insurance Company

NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 28

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 9, 1942

\$4.00 Year, 20 Cents a Copy

True Nature of Organization Activity Sketched

Achenbach Outlines to Hoosier Group Purposes of Associated Effort

INDIANAPOLIS—W. N. Achenbach, western manager of Aetna Fire and president of the Western Underwriters Association, outlined his conception of the purpose of organization in the fire insurance business, in addressing the annual meeting of the Indiana Fire Underwriters Association. He said that the business not only lends itself to organization but its processes all but demand the counsel and exchange of information and experience available through voluntary association. Even those managements that do not identify themselves with organization effort, Mr. Achenbach said, are nevertheless beneficiaries of the system and they would not want to see the trade organizations of the business abandoned or forbidden. It is certain that the processes of the business as they are now known would disappear or change into unrecognizable forms if organization should be withdrawn.

Need Right Conception

It is of high importance that those in the business have the right conception of organization activity—its processes, limitations and benefits. There is needed in the first place leadership. There must be calm discussion and joint counsel, tolerance and forbearance with divergent views and opinions. The organization must be equal to dealing equitably with minorities within and justly with opposition from without and grow in influence and respect by the example of its principles rather than by the weight of its strength or the fear of its ill will. Organization in the business means self government and that means less than the individual may desire but more than he can in any other way acquire.

The field clubs are the communication line to the sources of production, he said. Companies rely on their reports and recommendations. The considered judgment of a field club or its committees on any subject is always recognized as a valuable contribution. The W. U. A. desires to keep exposed to the problems of the field organizations. The procedures in the business invite and demand the joint counsel, experience and exchange of judgment that is available only through the medium of associated efforts. Too often, the public thinks of an organization as something of combined force, autocratic authority and dictatorial proclamations to put the business into a groove within limitations of preconceived and predetermined outlines and restrictions.

Such a view is erroneous, Mr. Achenbach pointed out, and would be true

Expense Limitation Program Now in Effect in Texas

AUSTIN — The expense limitation program for both fire and casualty insurance as sponsored by the Board of Insurance Commissioners was inaugurated July 1 with virtually 100 percent acceptance by the hundreds of companies operating in Texas. A filing calling for a reduction of 35 percent in fire and windstorm rates and 25 percent on automobile, which was made by one Texas company when several acceptances had not yet been filed, was withdrawn when it became evident that the program was to receive such complete approval.

Potomac Only Dissenter

The only fire company that has not accepted the individual items in the expense formula, although it has indicated that it would go along with the overall expense limitation, is Potomac. However, General Accident has filed acceptance of the casualty limitations.

The combined fire and windstorm business of Potomac in Texas last year was approximately \$25,000, which was less than one-tenth of 1 percent of the state's total.

All casualty companies have accepted the expense limitations though four or five have indicated that they would like to retain a few contingency commission agreements that have been outstanding for several years.

Conferences Are Continuing

Some admit that the local agents affected never had earned the contingents. However, the board is continuing its conferences seeking to get unqualified acceptance by all companies. It was indicated that conferences with Potomac are continuing with the hope of having it accept the program completely.

only in the event the business should be conducted as a full fledged monopoly which is not only forbidden by most state statutes but would be impossible because of public opinion.

Because some members of the public do hold this view, the business has the responsibility of conducting its organization activities in such a way as to bring to the business and to the public all of the benefits and advantages of associated effort without any of the results of unlawful or unfair agreements or practices.

Agency Balance Problem

Mr. Achenbach urged the field men to give close attention to the question of agency balances. Many agencies are hard pressed financially because of being located where normal industry has subsided and has not been replaced by war work. Other agencies in locations where industry is operating at high speed are likely to fail to set up a reserve to carry them through the period of business recession at the close of the war. Mr. Achenbach commended one agency in an important defense area that is writing a large volume of U. & O. and is placing all premiums collected on term insurance above the first year in a reserve fund and treating the premium and commission as unearned in order to be prepared to meet the demand for return premium.

N.A.I.A. Steering Group to Hold Important Parley

The executive committee of the National Association of Insurance Agents will convene in the Pennsylvania Hotel, July 20 for a two or three day session.

War damage insurance will be uppermost in the deliberations, and the meeting will afford the members an opportunity to study the latest available information.

Before the committee also will come the resolution of the Indiana Association of Insurance Agents requesting that the committee consider amendments to the constitution, looking toward a more democratic process in the affairs of the National association. Tied in with this study is the recent action of the New York State Association of Local Agents, who also propose constitutional amendments, and the national officers and executive committeemen may be expected to discuss that resolution.

The New Jersey Association of Insurance Agents has likewise asked for an opportunity to discuss matters of mutual interest, and the meeting in New York will include a session with representatives from that group.

Pink to Hold Hearing on "Gap"

NEW YORK—The question as to just where coverage by private carriers ends and that of the War Damage Corporation begins was discussed by 25 fire and casualty representatives at a conference called by Superintendent Pink at the department offices here.

The "gap" which earlier was held to exist, does not obtain in the opinion of company officials who contend that any damage caused by planes in practice operations would be assumed under the extended cover contract. Most fire men are adamant in their refusal to write use and occupancy war damage indemnity. No conclusions were reached at the meeting and no minutes taken. Commissioners Blackall, Connecticut; Harrington, Massachusetts, and Johnson, Minnesota, were present.

Pritchett New Head of Indiana Field Organization

INDIANAPOLIS — Geo. R. Pritchett, American, was elected president of the Indiana Fire Underwriters Association at the annual meeting held here with approximately 100 members and guests present. John D. Pearson, Glens Falls, was elected vice-president and Miss Elizabeth S. Cooper was re-elected secretary. Five members of the executive committee were elected; Jas. A. Bawden, Springfield F. & M., and R. W. Swanson, Liverpool & London & Globe, for two years, and Gus. J. Daseke, Phoenix, Conn., H. W. Mullins, National Fire, and Lynn D. Swisher, Norwich Union, for one year. Roy P. Elder, Fidelity-Phenix, retiring president, presided over the

(CONTINUED ON PAGE 4)

Seek to Relieve WDC of Flood of Inquiries

Interpretation Committees Established in Underwriting Centers

NEW YORK—Applications for war damage indemnity continue to pour into fire company offices in such volume as to necessitate employees working several hours each night in order to get policies out promptly. Several offices remained open last Saturday, despite its being July 4. An idea of the extent to which the protection is being written may be gained from the fact that one company group has already deposited more than \$1,000,000 in WDC premiums. The American Telephone & Telegraph company, it is reported, is buying 1 billion 400 million of cover, which will produce a premium of well over \$1,000,000.

On the whole the agents throughout the country seem to have carefully and intelligently studied the rules of the WDC and their applications, for the greater part are in proper order, both as to risk classification and rate. Some agents, however, have made the mistake of totaling the premiums due under a number of policies and attaching a single check for the amount. If, as sometimes happens there is an error in one or more of the applications, the entire batch is held up until the mistake or mistakes are corrected. During the first few days about 5 percent of the applications had to be returned for correction.

Expect Interpretive Booklet

The anticipation is that the War Damage Corporation will soon issue an interpretive booklet, containing official answers to the questions that have already been presented and others likely to arise in handling the business. When this is done the work of agents, brokers and company men will be considerably simplified.

To relieve the overburdened head office of the War Damage Corporation in Washington from dealing with the multitude of questions received by it daily from merchantile and manufacturing corporations, insurance agents and brokers and company men in every section of the country, it has been determined by the stock companies to set up informal committees in this city, Hartford, Atlanta, Chicago and San Francisco, where most of the inquiries can be dealt with. Reference to Washington will be made only in cases of an involved character upon which an authoritative interpretation is desired. The New York committee will use the office of the Insurance Executives Association.

The committees will be made up of leaders in the industry, who will rotate in serving, the intent being not to impose unduly upon the time of men who already are busy with their company affairs. The questions to be submitted,

(CONTINUED ON PAGE 25)

Broad New War Bond Campaign Is Now Under Way

Following a broad program to put the power of an organized promotional campaign behind the payroll savings plan, the Treasury Department has made available to nearly every business firm a complete set of promotional material.

All this material is designed to help business firms achieve more quickly the goal of at least 10 percent of payroll invested in war bonds.

Nearly 100,000 firms have already installed, and are operating under, this plan. In most cases the management of the company absorbs the entire cost of administration and bookkeeping—and the plan is so simple in its operation that this expense is normally quite modest.

The payroll savings plan is most effective when stimulated by a well planned, fast-moving program to explain the operations and benefits of the plan and see that it is properly sold to each employee.

Complete Sets of Material

Accordingly, the war savings staff with the voluntary assistance of able advertising and merchandising men has made available complete sets of material that will assist every company in putting on a sustained and successful drive.

The first item is a book "A Plan for Diverting at Least 10 Percent of America's Payroll into U. S. War Bonds." This outlines the basis for the over all campaign and explains the general types of material available.

For the benefit of businesses who may not have installed the plan there is another booklet called "How to Install and Successfully Operate a Payroll War Savings Plan for the Regular Purchase of U. S. War Savings Bonds." This explains in simple clear-cut terms how simple and easy it is for any business organization to make the benefits of payroll savings available to its workers.

"Give 3 . . . Get 4"

Basic book for the employee is the one "Give 3 . . . Get 4". In addition to explaining how money saved by workers is of vital importance in winning the war, it drives home the sound practical benefits each worker will gain by having a reserve fund saved up for the post-war years. It also answers questions that may be in the worker's mind as to the value of war bonds as an investment.

Three small envelope stuffers, to be distributed via the pay envelope, are also included. They are designed to keep the subject fresh in every person's mind; to pre-sell workers so that the campaign chairmen will be able to turn in the highest possible percentage of signed authorizations for payroll allotments from the workers they approach.

Lapel buttons are furnished reading "I am buying at least 10 percent." Window stickers with similar copy are provided for the worker's home.

When the entire business has signed up for a minimum 10 percent payroll, it is authorized to acquire and display the official Treasury Department target flag.

To Pay Dividends in Texas

DALLAS—Effective Aug. 1 General of Seattle will issue participating policies in Texas, according to President H. K. Dent, who is in Dallas. He held a meeting here with local agents of north Texas and held a similar meeting Wednesday in Houston with agents of south Texas. General will pay 20 percent local agency commission as per agreement with board of insurance commissioners.

Aetna Fire Group Office Moves

LOS ANGELES—The Aetna Fire group has moved its offices from the 11th floor of the Fidelity building to Suite 405 in the same building. The quarters there are more commodious and convenient.

Cunneen Leaves Insurance Post in U. S. Chamber

Terence F. Cunneen announces that he is resigning as executive assistant for insurance of the U. S. Chamber of Commerce to return to private business.

Mr. Cunneen was appointed manager of the insurance department in 1928 and



T. F. CUNNEEN

was promoted to his present position in 1940. He is a lawyer and served as deputy insurance superintendent from 1924-1928 in New York.

Under Mr. Cunneen's direction the national conservation program of the chamber's insurance department has been greatly expanded.

Broad programs to reduce fire waste have been carried on. More than 800 chambers of commerce are now participating in the annual fire waste contest conducted by the insurance department and the National Fire Waste Council.

The chamber's insurance department and the American Public Health Association in 1929 started a nation-wide effort to safeguard public health. More than 1,200 cities and counties joined in this program and enrolled in the city and rural health conservation contests.

The insurance support and interest in the chamber has greatly increased in recent years. The insurance department is now one of the strongest units of the chamber.

The insurance department has promoted a program to bring about a better understanding of insurance on the part of business men and policyholders generally.

Under Mr. Cunneen's direction, the department has acted as a clearing house of information on legislation affecting insurance in Congress and it has interpreted for insurance members rulings and decisions of federal departments and

Hail Premiums Up, Losses Are Heavy

Hail insurance premiums are running from 30 to 40 percent ahead of a year ago in almost all territories. This is offset somewhat by the fact that losses are heavier in some sections, but generally the hail writing companies are still well on the credit side of the ledger for the season to date.

Hail storms have been particularly bad in Kansas and Nebraska, and one or two of the companies report that they are already "in the red" on business in those two states for the season. There have been heavy losses in northwestern Iowa and in northern Colorado, but the business there still was profitable up to this week. The Colorado storm of June 27 was one of the worst that section has ever had.

Harvesting in Kansas was delayed because of rain, and where hail followed rain it made adjustment of losses difficult. Texas came through this year in good shape, compared with a very bad season a year ago.

Buy Just Before Harvest

In Nebraska last week, with harvest less than 10 days away, the demand for hail coverage was very brisk. This was an unusual situation in the hail business, and was due to the numerous storms in the area which have made farmers particularly aware of the need for the protection.

In the Dakotas, Minnesota, and Montana, where the harvest will come in August, premiums are very substantially ahead of 1941 and are still coming in. There is a bumper crop in that territory.

Oklahoma is one of the few states that has not shown a gain in premiums. This was due to green bug infestation which damaged the wheat badly. The Chicago states are turning in a very good volume of hail premiums, well ahead of last year.

All of the companies expect to show a substantial gain in business by the end of the season because of the higher value of crops. There has been an increased business on soy beans this year.

agencies affecting the insurance business.

The department has enlisted the cooperation of chambers of commerce and other business groups in opposing legislation to increase special state insurance taxes, create monopolistic state workmen's compensation funds, unsound laws having to do with the investment of reserves, special deposit legislation and valued policy laws.

Mr. Cunneen states that he will take a short vacation and will announce his plans later.

Alton, Ill., Outing Sept. 17

The Alton (Ill.) Association of Insurance Agents has set Sept. 17 as the date for its annual "Hillbilly" golf outing. Harry J. Steck, Alton, is chairman of arrangements.

THIS WEEK IN INSURANCE

Expense limitation program in Texas goes into effect with virtually 100 percent compliance on the part of fire and casualty companies. **Page 1**

W. N. Achenbach, president of W.U.A., outlines his conception of the purposes of organization in addressing Indiana field men. **Page 1**

Forthcoming meeting of N.A.I.A. will be devoted to important subjects of the hour. **Page 1**

Self-insurance proposal in St. Louis for city-owned buildings is rejected. **Page 3**

The federal government will file an anti-trust action against fire companies before fall, Attorney-general McKittrick said in Chicago where he has been conducting hearings in the Missouri rate case. **Page 3**

Louis L. Law, Minnesota state agent London Assurance and grand custodian of the goslings of the Blue Goose, is dead. **Page 15**

In order to relieve the War Damage Corporation of the flood of inquiries which it is receiving, committees on interpretation have been set up in various underwriting centers. **Page 1**

Terence F. Cunneen is resigning as executive assistant for insurance of the U. S. Chamber of Commerce to return to private business. **Page 2**

Some of the interesting features of war damage insurance are given. **Page 4**

Fire company shares show in general a decline due to the heavy marine losses. **Page 2**

Group-writing companies are at odds on rates for hospitalization. **Page 17**

W. E. Newcomb is appointed assistant manager of the Western Underwriters Association. **Page 3**

R. A. Nelson is appointed assistant western manager of Atlas and Albany. **Page 2**

Travelers license renewed in Illinois for this year. **Page 19**

Nelson Assistant Western Manager of Atlas

Robert A. Nelson has been appointed an assistant western manager of Atlas in the Chicago headquarters. He is a young man who has had a well rounded experience in the business during the past 15 years and he has been in the western department office in Chicago for the past several months in training for his new responsibilities.

Robert A. Nelson

Mr. Nelson graduated from the University of Illinois in the general business course and then from 1927 until 1929 he was connected with the Chicago and Cook county department of Travelers Fire.

His next experience was with Western Factory where he served in the underwriting and engineering departments. Then in 1937 he went with Atlas as special agent in Iowa and Nebraska. After three years in that field he was transferred to Ohio as special agent in the eastern part of the state and in West Virginia. He is a native of Chicago and is a son of A. J. Nelson, chief underwriter in the western department of Hanover Fire.

Fire Company Stock Is Depressed Due to Ocean Marine

NEW YORK—The A. M. Best Company Index of 50 representative fire companies for the first six months shows that the shares have declined about 10 percent. The New York "Herald-Tribune's" composite market averages of 70 industrials and 30 rails were off 3 percent. The showing of fire company shares was due to the heavy ocean marine losses that have been experienced. Best's Index of fire insurance stocks June 30 stood at 163 compared with 180, Dec. 31.

At the present time Best Company states it is the lowest since the close of 1937. Only five companies resisted the downward trend for the half year period. The market value of Halifax, which last year dropped to below par, advanced 30 percent. Nominal gains were registered by Firemen's, 3 percent; Knickerbocker, 2 percent; American Equitable and Home, 1 percent each. The companies that have reduced their dividends showed declines. The heaviest recessions range from 19 to 27 percent. Others show a drop of 14 to 16 percent.

Liberty Ship Is Named Benjamin Rush

The name "Benjamin Rush" has been given to one of the new U. S. Liberty ships. It was christened by Mrs. Benjamin Rush, Jr., whose husband is vice-president of Indemnity of North America. Benjamin Rush, Sr., is chairman of the North America companies and the great-great grandson of the original Benjamin Rush after whom the vessel was named by the U. S. Maritime Commission. The original Benjamin Rush was one of the signers of the Declaration of Independence.

Agents' Licenses Suspended

LOS ANGELES—Commissioner Caminetti has suspended for five days the licenses of A. E. Debley and M. L. Helpman, Los Angeles agents, for violation of the insurance code.

Light on Aims in Mo. Inquiry

McKittrick Says U. S. Will File Anti-trust Suit Before Fall

In a heated interchange with company counsel during the Missouri rate case hearings in Chicago this week, Attorney-general McKittrick revealed the purpose of the vast amount of testimony he has introduced into the record concerning the various associations, bureaus, and committees in the insurance business.

McKittrick stated that the Western Underwriters Association, Western Actuarial Bureau, Subscribers Actuarial Committee, Grain Association, Oil Association and Western Factory Association speak for the companies. The course of action of the companies has been such that it presupposed an agreement existed between them on the conduct of the insurance business in Missouri. Over a period of years the companies have cooperated through their organizations, and the only way they can act or do act is through them.

Many Objections Are Sustained

These and other statements were made by McKittrick during the cross-examination by company counsel of C. A. Dossall, secretary St. Paul Fire & Marine. McKittrick asked what organization controlled the Missouri litigation. Company attorneys objected to his questions and for the most part were sustained by Commissioner Windson.

McKittrick will finish taking testimony in Chicago Thursday and will open hearings in New York City July 14.

The witnesses called for by McKittrick are mostly those who appeared in the federal court hearings.

Morin to Aid in U. S. Suit

The federal government will probably file an anti-trust action against the fire companies before the end of summer, McKittrick stated while he was in Chicago. The department of justice is getting the record of the Missouri hearings currently as it is transcribed. H. N. Morin, former insurance commissioner of Rhode Island, will assist the government in its prosecution, McKittrick said.

During the tilt with David A. Murphy, company attorney, while Mr. Dossall was on the stand, McKittrick said that one or more company men do not necessarily have a definite understanding with all of the other companies respecting a course of action, but these men have acted so long through organizations and committees that their actions are in "agreement." Of course it is up to the court to decide whether it is agreement or not, but, McKittrick angrily declared, "the law looks through these eggshells."

When the companies spend hundreds of thousands of dollars maintaining in the courts for 20 years a rate filed by the Missouri Inspection Bureau, it is clear that that bureau is not a public one, but is in fact a private bureau maintained and controlled by the companies, he asserted. There is nothing in the record of the Missouri rate hearing to show that it is a public bureau. The companies all act through the bureau to protect their rates. It is as completely a private bureau as though there had been no statute creating it.

Probes to Find Control

At another point, McKittrick asked if there was an understanding among members of the Western Underwriters Association that the fire business in Missouri and the rate litigation in that state were under the management and control of the W. U. A., the Western Actuarial Bureau, the Missouri Inspec-

Plan Evolved to Release Manpower for War Effort

The English government has set up a new investigating committee to consider concentration in the insurance and banking business, with a view to releasing further manpower for the war effort. The committee is divided into three panels, one of which will study ordinary insurance, a second industrial insurance, and a third banking. The chancellor of the exchequer, in a statement in the House of Commons, said that a committee under the chairmanship of Lord Kennet had been appointed "to ascertain and report what practical measures, whether by way of some form of concentration or otherwise, can still be taken to secure the greatest possible release of manpower" in the three spheres.

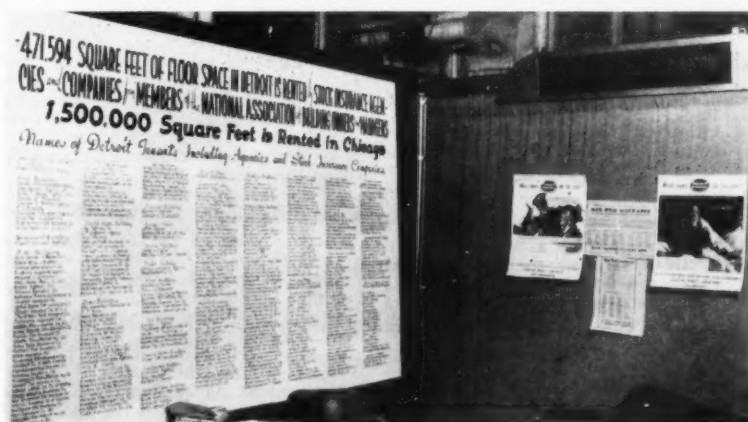
Lord Kennet is a director of the Equity & Law Life. H. S. Milligan, chairman of the British Insurance Association, stated that the members welcomed the announcement that the committee had been appointed. "Already they have released over 50 percent of their male staff for national service," he said.

tion Bureau and the Subscribers Actuarial Committee.

Mr. Dossall asserted that there was no such understanding that he knew of, and that none of the associations has any connection with the others. But McKittrick declared that certain relationships and agreements arise out of membership in the Western Underwriters Association. By controlling commissions and practices the W. U. A. has a good deal to do with rates in Missouri, he charged. The broadening of a contract increases the rates because it increases the liability; the fixing of commissions certainly affects the rates.

G. N. Gardner, vice-president of Merchants Fire of Denver, followed Mr. Dossall on the stand. W. R. Reilly, vice-president of Dubuque Fire & Marine, was scheduled to appear Thursday. W. L. Lerch, manager of the Underwriters Grain Association; C. Claussen, western manager London & Lancashire; J. R. Cashel, western manager Providence Washington, and Bert W. Jones, comptroller of America Fore, testified Tuesday and Wednesday. A. F. Powrie, manager of Fire Association, was on the stand a day and a half. McKittrick sought to get him to admit that the Missouri rate litigation was conducted, managed and supervised by the Subscribers Actuarial Committee. This questioning brought frequent objections from attorneys for the companies.

Stock Insurance Display in Detroit



At the recent convention in Detroit of the National Association of Building Managers, the stock insurance interests set up a display that attracted much attention. The main feature of the booth

Named W.U.A. Assistant Manager

W. E. Newcomb, who has been connected with the Western Underwriters Association at the headquarters office in Chicago for the past 1½ years as field supervisor, has now been appointed an assistant manager.



W. E. Newcomb

A native of San Francisco, his earlier insurance training had all been with Commercial Union on the coast and in the Rocky Mountain states. He started in the Pacific Coast office of Commercial Union in 1927 as a map clerk and in 1929 was assigned to the southern California field with headquarters in Los Angeles. In 1931 he was transferred to Fresno, Cal., handling the San Joaquin valley territory. Then in 1937 he went into the Rocky Mountain field as state agent with headquarters in Denver and from there went to the W. U. A.

Manager Charles F. Thomas intends to have either Mr. Newcomb or Assistant Manager E. H. Born attend all of the meetings of the governing committee so that they may keep abreast of all the currents in the organization.

Morin Takes Post in U. S. Justice Department

WASHINGTON—H. N. Morin, who recently resigned as insurance commissioner of Rhode Island, has entered the service of the department of justice and has been assigned to the division supervised by F. H. Elmore, Jr., special assistant to the attorney-general. Mr. Morin's familiarity with insurance affairs, it was felt, would be helpful to the department should it undertake a survey of the industry at any future time.

At the Denver convention of the commissioners Mr. Morin announced that he was to become connected with a Latin American insurance enterprise, but his plans were changed.

Trask Returns to Oil Pool

Fred A. Trask, chief engineer, has returned to the Oil Insurance Association after a period of a year, during which time he was engaged in special work for the United States government. Mr. Trask will be located in the Chicago office of the Oil Association.

Self-Insurance Is Vetoed in St. Louis

Plan Recommended by Advisory Committee Rejected by City

ST. LOUIS—St. Louis has rejected the recommendations of the mayor's advisory committee on city survey and audit made 17 months ago in favor of a self-insurance plan, and will continue to purchase fire and windstorm insurance from sound insurance companies. A fire insurance premium appropriation the fiscal year totals \$27,500.

Comptroller Louis Nolte and other officials rejected the proposal not to deal with private companies, remembering the disastrous tornado of May 28, 1896, which wiped out city property, including its City Hospital, valued at several million dollars.

Deputy Comptroller C. L. Cunningham said the biggest risk is the city sanitarium and infirmary, a group of 14 buildings which are old, non-fireproof and close together. If one burned all probably would be lost. Their value is about \$700,000.

Buildings Escape Tornadoes

The 1896 tornado and another in 1927 missed these buildings by a few blocks.

The advisory committee in defense of its position pointed out that the city had spent more than \$1,000,000 for insurance premiums since 1900 and collected only \$66,319 under the policies. The city carries about 350 fire policies distributed among nearly all agencies in the city.

With a fire department that is undermanned and poorly equipped St. Louis faces a conflagration hazard.

It is interesting to note that business men who were responsible for the self-insurance suggestion do not take the same medicine for themselves. A check made 17 months ago when they reported indicated all were protected by fire and windstorm insurance in a volume commensurate with their own property holdings.

Of 20 cities of more than 300,000 population, 11 were on a self-insurance plan when the survey was made, including New York, Chicago, Detroit, Los Angeles, Cleveland, Boston, Buffalo, Washington, Cincinnati, Seattle and Philadelphia.

American Auto Issues 80-20 Collision Coverage

American Automobile now is writing an 80-20 automobile collision coverage. Assured's maximum participation in any one loss is \$250.

The company is charging 150 percent of the \$25 deductible rates.

The plan makes the policyholder a coinsured on a uniform percentage basis, and the possibilities for saving through careful driving are great enough that there is a stimulation to insured to drive carefully, Otto Patterson, executive vice-president, points out.

The 80-20 plan is not a new one. It has been used by other companies and found very popular.

Match Plant Loss \$120,000

Fire Tuesday caused an estimated insurance loss of \$120,000 when the manufacturing plant of the Ohio Match Company, Wadsworth, O., burned. Ohio Match Co. carried \$80,000 cover on the building, which was a 50 percent loss, and there was \$185,000 insurance on contents in the name of the Diamond Match Company, with \$80,000 loss.

Ewing Stultz, state agent in Kentucky for Scottish Union, suffered a broken arm in a fall at Herrington Lake while on a fishing trip.

War Damage Insurance Has Many Interesting Phases

The big majority of risks numerically coming in for war damage insurance are on dwellings and contents. This is due partly to the fact that the life companies, building and loan associations, banks and other agencies loaning money on which a mortgage is taken are requiring the mortgagors to take out insurance. However, there are a large number of applications coming from householders who have no lien on their property. They usually want the dwelling, contents, garage and automobile covered. The cost is not very great and the opinion prevails that it is worth the amount paid to feel secure.

One agent uses a very effective talk that was inspired by one of his assured. He encountered some people who claimed that the rate was too high in consideration of the hazards involved. Then some policyholders complained that the coastal areas paid the same rate as sections in the central part of the country although the hazard was many fold greater on the coastline.

The agent in soliciting or bringing the matter up to the property owner states that this is not insurance in its generally accepted sense but can be called a tax that is levied on the entire country. The people in the central part of the United States are more favored so far as possible bombings are concerned but they should not allow those in more hazardous areas to bear the unusual brunt. It is a national duty that is imposed on all people. All are in the same boat and working for the same cause. Therefore the tax, if it can be called such, should be spread over the entire country, the rate to be the same. This agent states that he finds this sort of argument has a real effect.

Dealing with Chain Properties

Where agents control properties located throughout the country under one management they are finding difference of opinion here and there as to whether war damage insurance should be purchased. The units along the seaboard are much more insurance-minded than those in the interior although many in the central part of the country feel that it is desirable to have this coverage. However, where there is a difference of opinion among the executives and managers, it is difficult to reach a conclusion.

A number of office buildings have been taking on insurance, they being natural targets for bombing outside of the purely military objectives.

Salesmen have pointed out that there are certain cities like Detroit, for example, that would be especially sought by Japanese bombers. It could not be such a difficult task if Japan got a hold on some airbase in Alaska to have a squadron fly down and bomb Detroit.

Red Tape in Writing U. S. War Damage Criticized

The Portland, Ore., "Oregonian," the other day carried an interesting editorial on war risk insurance. It referred to "the difference in simplicity between writing of ordinary fire insurance and issuance of the government sponsored war risk insurance."

"The responsible citizen," the "Oregonian" observes, "can telephone his insurance agent that he wants his house covered with standard fire insurance and the insurance goes into effect from that moment. The policy is delivered in due time and with it a bill for the premium which the insured pays in due course."

"But to obtain war risk insurance one must sign an application in triplicate and remit premium with the application. The local office must make six copies for government and company use" and the policy does not take effect

The Japs evidently are determined to take vengeance against the bombing of Tokio.

Different Reactions Seen

There are different reactions naturally when people are asked to take out war damage insurance. Some believe that the hazard is very remote and they are not interested. They reply that if a raid ever starts they then will take out war damage insurance. Agents tell them that they had better play safe because the cost is not great and when the time does come, if it should, they may not be able to get war damage insurance. The large institutions evidently are taking the coverage. Banks, trust companies, building and loan associations, etc., desire full coverage to indemnify them and their holdings because they wish to play safe. This has caused a real market for war damage insurance. Householders find that the cost is rather low and take it as a matter of precaution although the commission to the agent is very small.

Applications Pile Up

Applications are rolling in still at a rapid rate and company offices are deluged. It has been found necessary in a number of cases to increase the number of employees. Just how much longer the heavy work will continue is a matter of speculation. Evidently the supplies did not get out on time and still some agents have not received any. They are binding risks and waiting for the supplies to reach them. Almost every office states that the 3½ percent expense allowance will not cover the actual outlay.

It is remarkable how many applications have to be returned to the producers because of mistakes made or information that is not given. It is evident that many have not read the manual and have not prepared themselves properly for writing this class of business. It is a time consumer to have these applications reviewed, find there are mistakes or a lack of information and then have them returned. Another process that requires considerable time is the coding of applications according to state, large cities, classification and the like.

Field Men Called In

Some offices have had to call in field men who have had office experience to assist in the general work or in the war damage department. Most companies have put the war damage activities in charge of an examiner or a junior executive. All companies realize that they may lose money on the expense end of this. They are all however taking pride in doing a splendid and efficient piece of work. They have risen to the occasion in most admirable form.

Rhode Island Withdraws from Mass. and Ohio

Because of certain provisions in the laws of Massachusetts and Ohio, the Rhode Island withdrew from both states as of June 30.

until date stamped by a fiduciary agent.

"Private enterprise makes an effort to cut out red tape. Government clings to it, but when forced to it, finds ways to do as good a job of cutting as private enterprise."

Convention Plans Continued

The National Association of Mutual Insurance Agents has decided to go ahead with plans for this year's convention at the Hotel New Yorker, New York, Oct. 12-14. The meeting was deemed necessary because of the interest in war damage insurance.

Pritchett Is New Head of Indiana Field Organization

(CONTINUED FROM PAGE 1)

meeting and in his annual address expressed appreciation of the cooperation he had been given.

W. N. Achenbach, manager of the western department of Aetna Fire and president of the Western Underwriters Association, was the guest speaker, and discussed problems raised by the war.

G. L. Heinz, Springfield, on behalf of the association, presented retiring President Elder with a radio set to be installed in a handsome cabinet Mr. Elder already owned.

The president's report showed that 11 members had left the association during the year, two by death, one to army service and eight by transfer to other territory. Sixteen new members had been added. At this meeting the following were elected to membership: Millard Jones, Emmco; Paul F. Schrage, Home; Chas. E. Corbin, Home farm department; Willard Scott, Home, L. L. Grove, adjuster, Home, and G. A. Juenger, Secured Fire & Marine.

Wm. R. Caskey, Travelers Fire, toastmaster at the banquet, introduced these guests: Mr. Achenbach; L. F. Summers, chief engineer America Fire; H. L. Grider, manager Western Factory; W. A. Watts, president, and Verle Campbell, secretary Secured F. & M.; J. H. Burlingame, Jr. assistant manager Western Adjustment; H. H. Moore, assistant general manager, and R. S. Simpson, marine department Underwriters Adjusting; Frank J. Viehmann, insurance commissioner, and Senator Gray, vice-president Seaboard Fire.

George Mangan, Western Adjustment, Joliet, Ill., assisted by local talent rendered a number of piano selections.

Mr. Pritchett spoke briefly, asking for full support of the membership as it is entering upon what will probably prove to be the most trying year for its membership in its history.

At the first meeting of the newly elected officers of the Indiana Blue Goose, F. D. Payne, New York Underwriters, most loyal gander, announced these committees: Entertainment, J. W. Byrne, Concordia, chairman; publication, H. B. Skelton, Rough Notes, chairman; guards, W. W. Foster, Atlas, captain.

A golf tournament is being planned to be held at South Bend, with Sept. 17th as the tentative date. There will also be an initiation. In November a business meeting with initiation and reports of delegates to the grand nest meeting will be held, and an informal Christmas party in December.

The membership of the Indiana pond is in excess of 250.

Home in New Iowa Office

The Des Moines office of Home in charge of E. H. Davis, state agent, has been moved to 1201 Des Moines building. The new offices are of latest modern design and were prepared by an engineer from the home office. They provide more space than the former offices and have the latest in lighting and acoustics design. One of the features is the color design with different colors blended on the walls.

War Risk Cover Discussed

J. S. Jensen of the Fire Association was in charge of the Blue Goose luncheon this week at Topeka, the last for the summer. Luncheons will be resumed in September. Thirty members were in attendance including J. E. Mott of Wichita, Chas. Nichols of Great Bend and Wm. Joyce of Hutchinson. L. A. Magill, assistant manager of the Kansas Inspection Bureau, talked on war risk insurance.

Ralph W. Applegate, president of Casualty Mutual of Chicago, is in the army, serving in the engineers corps with the rank of captain.

To Proceed Against Directors of Mutual

LANSING, MICH.—Judge Dehnke of Harrisville has refused to dismiss the suit brought by Commissioner Berry charging nine former directors of the defunct Lapeer Farmers Mutual Fire with malfeasance, misfeasance and non-feasance in office.

Judge Dehnke denied a defense motion to dismiss but, by ruling, limited scope of the litigation. The court held that the plaintiffs may not base their action on any action, inaction or negligence on or after Aug. 16, 1935, a month before the mutual was placed in receivership by departmental petition, or on mis-handling of the mutual's affairs which might have been corrected subsequent to that time.

Charles R. Bowles is the present active receiver and Walter S. Foster, Lansing attorney, is representing the commissioner in the suit.

The original bill of complaint charges the former directors with gross negligence and asserts that they did not give "attention and exercise vigilance, care and skill in reference to corporation affairs that prudent men would use in like or similar circumstances or in their own affairs." Non-compliance with provisions of the law and failure to force compliance by active executives of the mutual were claimed. The present receiver is endeavoring to collect assessments totaling some \$200,000 against the membership. A former receiver collected considerable sums but that assessment was held void in earlier litigation and most of the money collected went into the expense of litigation which has been almost continuous since the original receivership order.

War Damage Cover on Furs

Marshall Field & Company, Chicago, last week mailed fur storage customers a letter informing them that "war damage risks are specifically excluded in our receipt covering your furs stored with us."

The company points out that because of the conditions prescribed by the War Damage Corporation it is not permitted to furnish such protection to its fur storage customers through WDC and suggests that if customers desire the coverage they communicate with their insurance broker or agent.

C. O. Pate, president of the Insurance Brokers' Association of New York, has requested the WDC to permit proprietors of fur storage places to buy a single cover for garments held by them for customers, instead of requiring individual policies.

Reinsurance Promotion Fails

Overseas & American Reinsurance is being dissolved because of failure to complete organization within the statutory period of one year in New York. Frederick C. Pitcher of Englehard, Pitcher & Amann of New York was one of the incorporators.

The Kansas Fire Underwriters Association held a meeting at Topeka this week. The next meeting will be in the fall, probably in Topeka. James E. Mott, Wichita, Great American, is the new presiding officer.

Lee Roland, underwriter with Home in Des Moines, has been inducted into the army and is now stationed on Angel Island.

Hanssler Binding Agent

NEW YORK—W. A. Hanssler's appointment as binding agent for Pennsylvania Fire covers the entire United States, except New York and the New York suburban and includes fire and allied lines. He will continue to represent the company as metropolitan inland marine agent, as he has done for the past three years.

"Why Disability Insurance Is a Good Investment for You" cost only \$2 per 100. Order from The National Underwriter.



From Print by N. Carrier



Mrs. Bloomer Pulled No Bloomer

THEY LAUGHED, a century ago, when Mrs. Amelia Bloomer, editor of the gentle periodical, *The Lily*, advocated bifurcated apparel for the ladies. Men in britches went into stitches as Mrs. Bloomer, sounding her battle cry of "Equal Rights for Women", appeared attired in voluminous trousers. Her pants were as much a sensation as her preachments.

But Mrs. Bloomer pulled no bloomer. She was simply ahead of her time. Her attitude toward the so-called prerogatives of the male sex has been vindicated. Today, women are privileged to vote like men and, if they care to, to dress like men. Face the facts: They've won their slacks.

With the democratic world engaged in a struggle to defeat the foes of all personal rights, with women working side by side with men on the assembly line and even fighting shoulder to shoulder with men on the battle line, it's no time to talk about "masculine prerogatives".

It's no longer a man's world. Women have won many

prerogatives that were once reserved for the male sex. Today, at least a third of America's adult feminine population is engaged in gainful occupation.

Among the prerogatives of the modern American woman is the privilege of owning her own insurance.

She has her own Life Insurance to secure the financial welfare of herself and those partially or wholly dependent on her income. She has her own Accident Insurance to keep income coming in, for women, of course, are no more immune to accidental injury than men are. She has her own Automobile Insurance to fulfill the financial responsibility incumbent on owning her own car. She has her own Fire Insurance to cover the loss of her own property by fire, and she has such forms of insurance protection as Personal Effects, Jewelry and Furs.

A new market? Why, if you add the Feminine Gender to the masculine, you've doubled your available business!

THE TRAVELERS

The Travelers Insurance Company • The Travelers Indemnity Company • The Travelers Fire Insurance Company
Hartford, Connecticut

Plan for Allocation of Marine Premiums Studied

At the recent Denver convention of the National Association of Insurance Commissioners a committee meeting was held on the subject of allocation of marine premiums by states. A motion was made to approve for national use the plan for allocation that was adopted by the Western Conference of Insurance Commissioners, June 9, 1941, but because of some questions that arose it was decided to make a further study and consider the subject anew in December.

There was presented to the committee the text of the Western Conference plan together with a cross index of insurance covers that are mentioned in the nationwide definition of marine writing powers. In the index are listed the covers and then are given the reference to each particular cover in the nationwide definition and also in the Western Conference plan. The material is presented herewith.

I

All premiums for the insurance of hulls and their cargoes shall be allocated, for purposes of taxation, to the state wherein the contract of insurance was negotiated and placed.

II

In respect to insurances not coming within the description of Paragraph I, above, and

A

Where transit, transportation or movement is dominant all premiums for such insurance shall be allocated, for purposes of taxation, to the state wherein is located the place of business of the assured through which the contract of insurance was negotiated, or in the case of a non-business risk, to the state wherein the residence of the assured is located.

B

Where the transportation hazard is not dominant and where the subject matter of insurance may be exposed for periods of intended rest, all premiums therefor shall be allocated for purposes of taxation, to the state wherein the subject matters are principally exposed.

C

Premiums for policies not coming within A or B above shall be allocated, for purposes of taxation, to the state wherein is located

(a) In the case of business risks, the place of business of the assured,
(b) In the case of non-business risks, the residence of the assured.

Interpretation of Western Conference Plan for Allocation of Marine Premiums for Taxation.

I

"All premiums for the insurance of hulls and their cargoes shall be allocated, for purposes of taxation, to the state wherein the contract of insurance was negotiated and placed." (Quoted from plan.)

This appears to require no explanation except (a) that builder's risks should be allocated to the state in which the risk is located and not to the state wherein the contract was negotiated or placed, (b) agreements as to the allocation of cotton premiums are not superseded.

II

"In respect to insurances not coming within the description of paragraph I, above, and

A

"Where transit, transportation or movement is dominant, all premiums for such insurances shall be allocated, for purposes of taxation, to the state wherein is located the place of business of the assured through which the contract of insurance was negotiated, or in the case of a non-business risk, to the state wherein the residence of the assured is located." (Quoted from plan.)

This category appears to require no explanation.

B

"Where the transportation hazard is not dominant and where the subject matter of insurance may be exposed for periods of intended rest, all premiums therefor shall be allocated for purposes of taxation, to the state wherein the subject matters are principally exposed." (Quoted from plan.)

II B

Property shipped on consignment for exhibit or trial, or approval, or auction, where the location exposure is dominant; otherwise II A.

Bridges, tunnels and other instrumentalities of transportation and communication. (When interstate, 50 percent to each.)

Pattern floaters. When location involved is constant, but when indefinite with frequent changes II C.

Film floaters.

Jewelers block policies.

Exhibition risks where the location exposure is dominant; otherwise under A.

Horse and wagon policies, including other animals.

Installation risks, but only when involving a specific installation.

Processing policies. When location involved is constant, but when indefinite with frequent changes II C.

Bailees' customers policies.

Furriers' customers policies.

Installment sales, in respect to accounts selling property used commercially and certificates are issued to vendee, otherwise II C.

C

"Premiums for policies not coming within A or B above shall be allocated, for purposes of taxation, to the state wherein is located

(a) In the case of business risks, the place of business of the assured,

(b) In the case of non-business risks, the residence of the assured." (Quoted from plan.)

II C

The personal property floater (the householder's comprehensive).

Tourists and/or personal effects floater policies.

Personal fur floater.

Personal jewelry floaters.

Silverware floaters.

Fine arts floaters.

Musical instruments floaters.

Radium floaters.

Physicians' and surgeons' instruments floaters.

Pattern floaters. When location involved is indefinite, with frequent changes.

Theatrical floaters.

Wedding present floaters.

Installation risks when numerous installations involving short term exposures; but if specific installation, II B.

Processing policy. When location involved is indefinite, with frequent changes.

Movable equipment floaters.

Miscellaneous movable articles floaters.

Installment sales and leased property, except in respect to accounts selling property used commercially and certificates are issued to vendee, which shall be II B.

The breakdown of II C into (a) (b) is self-explanatory.

Note: With respect to such rare or exceptional cases where the indicated category would not appear to be a suitable allocation within the general intent of the plan, they should be submitted to a committee for advice.

	Def.	Plan
Domestic shipments	C. 1. (a)	II A.
Where the location exposure is dominant	C. 1. (b)	II B.
Otherwise		II A.
Bridges, tunnels, etc.	C. 2.	II B.
(Interstate 50-50)		
Personal property floater		II C.
Tourist—personal effects	E. 1. (a)	II C.
Personal fur	E. 1. (b)	II C.
Personal jewelry	E. 1. (c)	II C.

	Def.	Plan
Fine arts	E. 2. (a)	II C.
Musical instruments	E. 2. (b)	II C.
Radium	E. 2. (c)	II C.
Physicians' & surgeons'	E. 2. (d)	II C.
Pattern floaters	E. 2. (e)	II C.
When location involved is constant		II B.
Otherwise		II C.
Theatrical	E. 2. (f)	II B.
Film	E. 2. (g)	II B.
Salesmen's samples	E. 2. (h)	II A.
Wedding present	E. 2. (i)	II C.
Jewelers' block	E. 2. (j)	II B.
Exhibition	E. 2. (k)	II B.
Where the location exposure is dominant		II B.
Otherwise		II A.
Horses and wagon	E. 2. (l)	II B.
Installation risks	E. 2. (m)	II B.
If numerous installations involving short term exposures		II C.
If specific installation		II B.
Movable equipment	E. 2. (n)	II C.
Miscellaneous movable articles	E. 2. (o)	II C.
Processing	E. 2. (p)	II C.
When location involved is constant		II B.
When indefinite with frequent changes		II C.
Installment sales	E. 2. (q)	II C.
In respect to accounts selling property used commercially and certificates are issued to vendee		II B.
Bailees' customers	E. 2. (r)	II B.
Furriers & fur storers'	E. 2. (s)	II B.
Silverware	E. 2. (t)	II C.

Write **Accident & Health Bulletins**, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

Late Casualty News

To Test Out High-Low Scheme

NEW YORK—The actuarial committee of the National Council on Compensation Insurance to which was referred for study some weeks ago the proposed new plan of the National Bureau of Casualty & Surety Underwriters for compulsory retrospective rating of risks producing a standard premium in excess of \$1,000, at its initial gathering requested the National Council to make a number of tests to indicate how the suggested program would work out. It will likely be some time before the committee is able to arrive at a conclusion and make known its recommendations.

Issues Service Rider on A. & H.

Continental Casualty has issued a rider permitting certain persons in service to continue their accident and health policies. Heretofore such cover was automatically terminated on entry into service.

The order is attached without payment of additional premium, and it makes coverage of the policy effective except where loss is caused by use or discharge of any missile, weapon, or explosive or during an attack or imagined attack.

On Guard!



Official U. S. Navy Photograph

ATTACK ON WAKE ISLAND BY U. S. NAVAL FORCES—
February 24, 1942. Main battery of a U. S. cruiser bombarding Japanese forces at Wake Island while anti-aircraft crews stand by.

OUR NAVY IS DOING ITS PART—convoying the vital cargoes of planes, tanks, guns, ammunition and food which are going to win this war . . . win it on the enemy's own soil!

YOU CAN DO YOUR PART—by seeing that the flow of war goods in your community is protected—by watching the changing requirements of your Assured, recommending the coverages best adapted to your clients' present and future insurance needs. Your wartime watchfulness is essential.

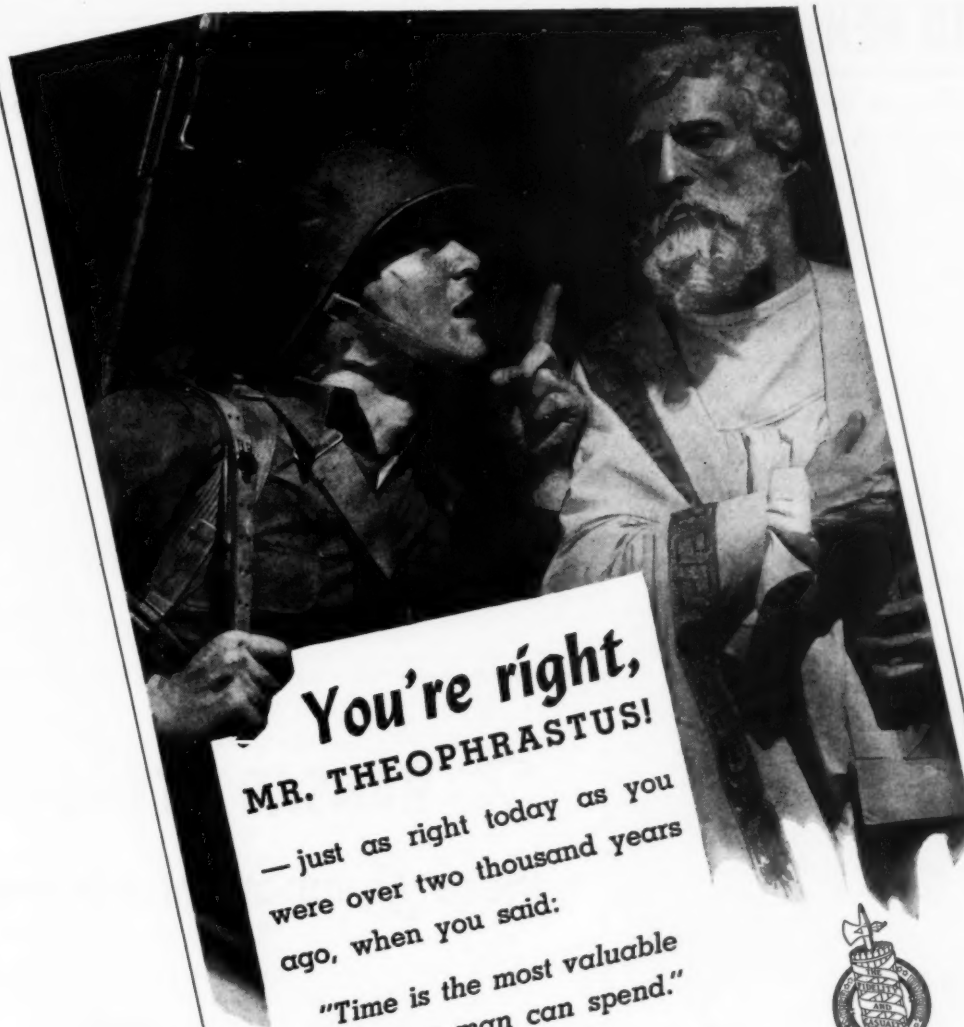
WE ARE DOING OUR PART—as one of America's leading insurers of ships and cargoes. We also prepare Inland Marine Floaters for war industry, as well as for commercial and personal requirements. Our nearest office will be glad to render complete specialized service.

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**You're right,
MR. THEOPHRASTUS!**

— just as right today as you
were over two thousand years
ago, when you said:

"Time is the most valuable
thing a man can spend."

Time lost on the production
front today, may cost the lives
of many of us on the fighting
front tomorrow!

It is the duty of every loyal
American to spend every mo-
ment with that thought para-
mount in his mind and to save
TIME by practicing accident and
fire prevention at all times.



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more than \$1,150,000,000
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TIME

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tie up with Mr. Theophrastus
in the July 11th issue of
THE SATURDAY EVENING POST

Send for related posters and reprints
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80 Maiden Lane, New York

NEWS OF FIELD MEN

Bean Resigns in Protest to Grand Nest Meeting

C. W. Bean, state agent in Kansas for America Fore, has resigned from the Blue Goose in protest against the holding of the grand nest meeting this year under war conditions.

In a letter to Walter Scott, Jr., Home of New York, most loyal gander of the Heart of America Pond, Mr. Bean points out that the resignation has nothing to do with the affairs of that pond but is prompted solely because he cannot "condone the attitude of the grand nest officers in soliciting, aiding and even demanding that the annual convention of the order be held this year as usual."

The order is purely a social and fraternal one and "as such there is not one good legitimate excuse, considering the times, to hold an annual convention. The expense of last year's convention was \$5,868, compared with total funds collected of only \$13,600, and the bulletin sent to members following the convention last year cost nearly \$1,600, and most of that item, too, could be better put to war work if a convention were not held this year."

The convention may still be stopped by government direction, he states, but if that should prove to be the case, "it would still seem to me that the officers had not played the part of skillful leadership expected of them."

Pacific Northwest Parley

SEATTLE—The semi-annual meeting of the Special Agents Association of the Pacific Northwest will be held here July 23-24, according to Anderson S. Joy, president western Washington division, which will serve as host.

Visiting Oregon fieldmen will be entertained at an open house at the Washington Athletic Club the evening of July 23. A business session will be held the following morning at Sand Point Golf & Country Club, followed by the fieldmen's annual golf tournament. A social hour will follow the golf game and a banquet will climax the day's program. Arrangements for the affair are being made by H. O. Price and M. B. Pool of Gould & Gould.

Duffey with Springfield F. & M.

Jack N. Duffey has been appointed special agent for Springfield Fire & Marine in eastern Massachusetts and Rhode Island. He will assist Agency Superintendent Harry J. Landen in that territory. R. G. Vedeler, special agent formerly associated with Mr. Landen, now is in service. Mr. Duffey has had 10 years of insurance experience. He will have headquarters in the Boston office at 40 Broad street.

New Kansas B.D.O. Group

TOPEKA—Carl E. Smith, Royal Exchange, has been selected chairman of the newly appointed Kansas educational committee in charge of the B.D.O. program. Other members are: Russell N. Colvin, American; William F. Ehret, America Fore; Charles T. Nichols, Springfield; Merl E. Odell, America Fore.

Niedecker Is Transferred

William Niedecker, special agent for Newhouse & Sayre with headquarters at Los Angeles has been transferred to the Chicago office and will travel in Minnesota and Illinois.

Linnell to Be Only Representative

MINNEAPOLIS—Thomas G. Linnell, general agent of Minneapolis, may be the only representative of the Minnesota pond at the Blue Goose grand nest meeting in Toronto in August. The late Louis L. Law was scheduled to attend but following his death it was undecided if anyone would be named to take his place.

Sterling to Be Backed for Grand Nest Office

Manitoba Blue Goose will back S. L. Sterling as candidate for grand nest office at the grand nest meeting in Toronto August 25-27, according to advices. Mr. Sterling joined Blue Goose in 1922 and was most loyal gander of Manitoba pond in 1930. In 1940 he was on the educational committee of the grand nest and now is chairman of that committee.

Logue to Firemen's

Ben O. Logue has been appointed special agent for the Firemen's of New Jersey group in Mississippi and Alabama. Mr. Logue was formerly Mississippi special agent for Henry A. Steckler, Inc., general agents. His headquarters will be in Birmingham.

Reports Michigan Inspections

LANSING, MICH.—W. D. Cameron, Boston and Old Colony state agent, as secretary-treasurer Michigan State Fire Prevention Association, in his annual report shows 12 community inspections were conducted in the year, involving inspections of 2,511 individual properties by field men. Of the 5,690 recommendations made by the year's end, compliance was 32 percent. The association is active in civilian defense effort.

Mott Makes Bow in Topeka

The Kansas Fire Underwriters Association met in Topeka. President J. E. Mott, Great American, Wichita, presided for the first time, introducing his executive committee and outlining plans for the year.

W. S. Gibbons, northern Kansas state agent, St. Paul F. & M., and big toad of the Sunflower Blue Goose at Wichita held open house for Blue Goose members and friends in celebration of his birthday.

Joseph L. Lacher, Newark, special agent for Fireman's Fund, has been appointed chairman of the fire prevention committee of the Newark Safety Council.

NEW YORK

PRIZE WINNERS ANNOUNCED

Prize winners in the agents' and brokers' qualification, fire loss adjusting and the legal aspects of insurance courses have been announced by the Insurance Society. Winners in the agents' and brokers' course are: First, Christopher Messenger, Fidelity & Deposit; second, J. C. Penz, Despard & Co.; and third, F. B. Miller, Jr., C. L. Bussing, Inc.

The first award for the fire loss adjusting course goes to H. C. Wade, Hamilton & Wade; second and third prizes have been awarded to H. W. Osterlund, Travelers, and E. R. Singer, a broker.

In the legal aspects of insurance winners are J. C. Ulreich, Commercial Union, first; J. L. Gwydir, Farjeon Ballin & Co., second; and K. F. Weisenborn, Continental Casualty, third.

GELSTON WITH NAT'L LIBERTY

H. W. Gelston, who for the past eight years has been business manager of the Brooklyn Real Estate Board, has joined National Liberty as special agent in Brooklyn.

Fuss & Larson, a new agency in New York City, has been appointed metropolitan agent and suburban general agent of Occidental of the Fireman's Fund group.

Issue Arises Over Cancellation of Private Insurers' War Contracts

NEW YORK—John Baer, representing the Rhode Island, and E. E. Cole, Jr., eastern general manager of General of Seattle, conferred with officials of the department Monday regarding the cancellation of war damage policies issued by the two companies. These contracts, issued before the launching of the War Damage Corporation, were non-cancellable for varying terms, and the carriers were prepared to assume whatever liability thereunder might develop in the event of enemy attack. When the WDC began writing its coverage, as of July 1, a considerable number of holders of the Rhode Island and General contracts sought their cancellation and felt aggrieved when their requests were not granted, several appealing to the department. Representatives of the two companies stated that the non-cancellable feature was as binding upon assured as upon the carriers, and that the position of the companies was linked with their respective reinsurers. They expressed entire willingness to change the coverage to use and occupancy, rental or other types of coverage not granted under the War Dam-

age Corporation policy, holding through such procedure assured would have complete protection.

Denver General Agents' Attitude on War Cover

DENVER—The Denver general agents, in deciding not to seek appointment as fiduciary agents for the War Damage Corporation, were principally influenced by the fact that a general agent would have to have separate code numbers and keep separate accounts for each and every company which delegated the fiduciary authority to him. The many requirements of the War Damage Corporation create a complicated situation even if only one account were handled. The general agents concluded that the public and local agents could be better served by dealing direct with the nearest company policy-writing office. The impression was incorrect that the general agents based their decision on the theory that the 3½ percent expense allowance would not justify them in handling the work.

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The Metropolitan Casualty Insurance Co. of N. Y.
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New York, New York

Pacific Department
220 Bush St.
San Francisco, Cal.

★ BUY WAR BONDS ★

INSURANCE MEN CALLED TO SERVICE

Raymond C. Dreher, production manager of Boston and Old Colony since 1924, has been called to active service in the air force and has been assigned to the ferrying command. He has the rank of major. He is a past president of Insurance Advertising Conference and is one of the best known men in his line. In the last war Major Dreher served as pursuit pilot and instructor.



R. C. Dreher

Maj. Dreher has put out one of the most distinctive company publications for agents in the business, "The Accelerator," and he has been most ingenious in his work.

Miner Shaw, president of Shaw Insurance, Inc., of Sioux Falls, S. D., has reported for duty as captain in the intelligence service. He was a lieutenant in the tank corps in the first world war. The agency will continue to operate under the well trained force which Mr. Shaw has developed in the last 12 years. Mr. Shaw has taken an active part in association affairs for years, and last year served as secretary of the Fire & Casualty Association of South Dakota.

A. Doran Kennedy of the Eureka-Security Agency of Cincinnati is in the quartermaster corps at Camp Edwards, Mass. Julius Grad and W. L. Garvey of that office have also been inducted into the army.

Thomas W. Alexander, who has been operating the J. V. H. Allen & Co. agency in Augusta, Ga., which was founded in 1866, has sold the business to the Southern Finance Corporation. Mr. Alexander is retiring from insurance to enter the army.

Carl Fisher, special agent for National of Hartford in Oklahoma City, has reported to the Great Lakes naval training station. He will have the rank of ensign. He has been in the Oklahoma field for eight years.

James Longmuir, Marine Office of America, Seattle, has joined the navy air corps as instructor and is stationed at a base in Idaho.

E. A. Eastman of the Travelers' claims department in Seattle has been commissioned a second lieutenant in the army air corps and is stationed at Lowry Field, Denver.

H. Ross Osborn, independent adjuster of Spokane, Wash., and formerly Portland, Ore., manager for D. F. Broderick, Inc., has joined the navy and has been commissioned a lieutenant in the aviation reserve.

Roger Kegley, executive assistant in the Minnesota department until he entered the army a few weeks ago, has already distinguished himself at Camp Joseph T. Robinson where he was awarded a medal for skill in maneuvers.

W. G. Caples, general attorney of Continental Casualty, has enlisted in the advanced aviation engineers of the army air corps, and is training at Miami

Beach. Later he will go to Langley Field, Va. Mr. Caples was assistant to President M. P. Cornelius and then became general attorney.

Ellis R. Larson, son of E. R. Larson, assistant manager Fireman's Fund Indemnity, Chicago, who enlisted 19 months ago, and who has advanced from a private through various grades to master sergeant, is now finishing his training at Fort Washington, Md., and will be a second lieutenant.

Daniel J. Cronkite, formerly a bond underwriter with Fireman's Fund Indemnity, Chicago, is now a first class yeoman in the navy, stationed at Kansas City.

Harry C. Perry, casualty underwriter for Connecticut Indemnity in Chicago, will go on active duty this month as an ensign in the navy. He has been in the naval reserve.

F. W. McFarland, manager of the casualty department of the Harry R. Koch general agency at Omaha, is joining the naval service. Ten of the 25 male employees of the agency have joined the armed forces.

C. R. McCotter, Jr., who has been connected with the inland marine department at the head office of National Retailers Mutual, has been commissioned an ensign in the navy and is attending the indoctrination school at Cornell University. His father is head of the Omaha office of Grain Dealers National Mutual Fire.

Robert V. Ely, who was connected with the Ralph B. Innis agency of Kansas City, has been promoted to a captain in the tank destroyer battalion at Camp Forrest, Tenn. He has been on duty since January, 1941, and has been a lieutenant. Mrs. Ely and their two children are with him.

Harry P. Murphy of Frank E. Murphy Co., Ridgefield Park, N. J., and former president of the Bergen County Association of Insurance Agents, is now a first lieutenant in the army.

Roland E. Young, formerly special agent for the Hartford Fire in northern New Jersey, has been commissioned a lieutenant at Camp Robinson, Ark.

Al J. Jolley of the A. J. Jolley Agency, at Marietta, O., has joined the army and will report at Fort Hayes in Columbus. He is a former football star and served in World War I.

Frank L. Dunn, son of S. A. Dunn, San Antonio, Tex., Hartford Fire farm department special agent, stationed at Colorado Springs, Col., has been promoted from captain to major in the army air corps.

C. B. Pevic, Lansing, western Michigan special agent of Auto-Owners of Lansing for the last 5½ years, has been inducted into army service and left this week for Fort Custer at Battle Creek. He was guest of honor at a dinner given by 31 fellow employees who presented him a fountain pen and pencil set. M. E. Ald, Charlotte, formerly of State Automobile Mutual, Columbus, O., has been appointed to succeed Pevic in the field position.

Charles S. Housman, special agent of American of Newark, is in recruiting service for the navy at Denver.

Modern Ordinances Gain

NEW YORK—Twenty-four municipalities have adopted modern fire prevention ordinances within the past year, according to a joint announcement by the National Board and National Association of Insurance Agents. The most recent centers to adopt the new ordinances are: Clearwater, Daytona Beach, DeLand, Gainesville, Gulfport, Lakeland, Live Oak, Longwood, Lynn Haven, Marineland and Orange City, all in Florida, and Duncan, Okla.

More than 5,500 copies of the ordinance have been distributed, the adoption of which is urged by approximately 1,000 organizations and individuals.

CHICAGO

WESTERN FACTORY PLAN

Commenting on the proposed merger of the Factory Insurance Association whereby the Western Factory of Chicago will lose its individual identity, one of the leading agents in the middle west in making some observations said that on the general subject he can see where there is a practical side to the consolidation. On the other hand he is fearful that the combined association will be used as a hopper for national lines placed by large brokerage connections in the east. Speaking further, he said:

"The success or failure of the consolidation from an agency standpoint will depend entirely upon the management. The ideal arrangement in my estimation would be the consolidation for underwriting purposes, but with local autonomy as now arranged. You know there is getting to be too much concentration and control of the fire insurance business east of the Hudson river."

"As I see it, one of these days, maybe after the war has been won, the insur-

ance business will have an investigation something like the Standard Oil of New Jersey had, and it will have to unscramble its eggs."

F. J. DURHAM'S ANNIVERSARY

On his return from a fishing and photographing trip in the Colorado Mountains Monday Frank J. Durham, head of the insurance brokerage firm of W. W. Durham & Co., Chicago, was surprised by his friends and associates on his 20th anniversary in the insurance business. Before entering insurance, Mr. Durham was in the investment business in the city. The firm, which does a nationwide business, was organized by the late W. W. Durham in 1905 and represents a number of prominent stock fire and casualty companies.

The anniversary party was arranged by Frank J. Opelka, vice-president of the agency. Another member of the firm is A. W. Anderson, former secretary of the Cudahy Packing Company. Mr. Durham is active in Cornell alumni affairs, Common Ground, and other civic and philanthropic organizations. He received many congratulatory messages and personal greetings at the open house held in the agency.

Mr. Durham's sister, Anne Durham

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Davis, is the wife of Roy L. Davis, former assistant Illinois state insurance director and now western department manager of the Association of Casualty & Surety Executives in Chicago.

MARTIN IS 25-YEAR MAN

William G. Martin, agency superintendent in the western department of America Fore, has just completed 25 years with the organization and was inducted into the "Old Guard" at a dinner given in his honor and attended by all the officers of the Chicago office.

Vice-president E. A. Henne was toastmaster and presented Mr. Martin with a gold wrist watch in honor of the occasion. Congratulatory messages were read, including a letter from Executive Vice-president F. A. Christensen.

Mr. Martin joined America Fore June 1, 1917, as chief examiner in the western department of Niagara Fire in New York. In 1927 he was appointed agency superintendent, assisting the late W. L. Steele, vice-president, and J. H. Macfarlane, secretary. In 1929 he was transferred to Chicago with the western department of Niagara, but on his arrival met with an accident which incapacitated him for 14 weeks. Upon his recovery and return to duty, Vice-president Henne assigned him to the engineering department, where he took over supervision of all sprinklered business, riot and civil commotion, explosion and general cover.

In 1934 he relinquished jurisdiction over the general cover business and his department was designated the improved risk department.

CREATES INSURANCE DEMAND

The news articles on the report of the eight German spies that landed on the Atlantic shores in rubber boats from a submarine, the capture of fifth columnists in this country and the evidence that they intended to assist in the procedure of destruction has caused concerns that have not taken out sabotage or malicious destruction insurance to make inquiries about it. This is particularly true with such institutions as are engaged in war effort. The large enterprises are usually insured in the syndicates and factory associations. However, there are smaller foundries and other institutions doing work on a smaller scale that are unprotected.

LIBRARY TO MOVE

The Insurance Library of Chicago after 30 years of service at Room 2132 Insurance Exchange building has moved to new and attractive quarters on the same floor in Room 2109.

The library has occupied the same space since the building was erected and now looks forward to years of greater service and cooperation with the insurance business of Chicago.

Founded in 1882 by the old Fire Underwriters Association of the Northwest it has played an important part in insurance education in the city. When the old association stopped meeting in 1928 the Chicago Board took it over and generously opened it to the public as a reference and research library. Since then it has widened its usefulness, broadened its service and greatly increased its collection of books, until now it is the largest insurance library west of New York.

The Cook County Inspection Bureau now maintains the library and has moved it to its new quarters. After Friday July 10 the library will be open to its many friends and patrons.

W. F. PRINDLE IN CHICAGO

W. F. Prindle, head of the Lyman, Richie & Co. Colorado Springs office, is taking a vacation in Chicago visiting the headquarters of his agency. Mr. Prindle is a former Chicago agent.

PRESENT VACANCIES
CASUALTY UNDERWRITER—An above the average man with executive ability to take charge of a Western Dept. underwriting staff. Salary \$250-\$350.
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Rhode Island Continues to Sell War Cover

The Rhode Island is continuing to write war damage and bombardment insurance on its own account and has not taken a participation in the War Damage Corporation setup. In addition it is writing war damage use and occupancy insurance. The Rhode Island is thus apparently the only company now that is issuing a cover that is competitive, so to say, to the WDC contract. Rhode Island has reduced its war dam-

age rates at some points so that its premium under certain circumstances is less than that of the WDC. For instance, for large mortgagees with loans on dwellings Rhode Island has a rate as low as 7½ cents. Also its insuring clause is somewhat broader than that of the WDC contract. It definitely covers such things as falling missiles from military planes in training flights whereas it has not been stated whether the WDC contract would cover such losses. A commission of 10 percent is paid.

Rhode Island has already paid two

losses under war damage contracts. One payment was for \$1,500 for damage done to a cornice on Equitable Society's building in New York from a falling missile and the other loss was to an oil company's property at Santa Barbara, Cal., damaged supposedly by shelling from a Japanese submarine.

Rhode Island has three zones for war cover, the first being Alaska, British Columbia and west of the Cascades in Washington and Oregon, and certain counties in California.

Alaska or British Columbia agents are instructed not to bind any risk but to

(CONTINUED ON PAGE 19)



Thousands of concerns find A. D. T. Automatic Protection Systems a wartime necessity

No matter how complete your present fire protection may seem, your fire defenses are but half-way measures unless they include means for detecting and reporting fire automatically. For only by automatic means can you have the assurance that fire will be discovered and the alarm transmitted in those vital first few minutes that may mean the difference between an incident and a disaster.

The A.D.T. Aero Automatic Fire Alarm effectively and economically eliminates the hazards of belated discovery and delayed alarms. No matter where on the premises a fire may start...no

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Rutter's Comment on Operations of the Year

The annual report of Sir Frederic Pascoe Rutter, governor and chairman of the London & Lancashire at its head office, is always read with great interest. Sir Frederic has a keen, analytical mind and he possesses the gift of facile, penetrating expression.

In speaking of the year's operations he said that as regards to premium income the fire branch showed an increase of £191,399, the accident £161,148 and the marine £311,806. The underwriting surplus of the year was £603,421 as compared with £590,416 in 1940. That sum was arrived at after deducting all losses, expenses and taxation abroad. As Sir Frederic puts it, "Taxation, as you well know, has become an increasing and serious factor." He asserted that on top of all this the company has, of course, its own exchequer. Altogether taxes on premiums, profits and interest have taken a toll of £957,634. He said, "It sounds amazing that there is anything left for us at all but the net surplus on underwriting after allowing for everything is £229,957 against £344,930 last year."

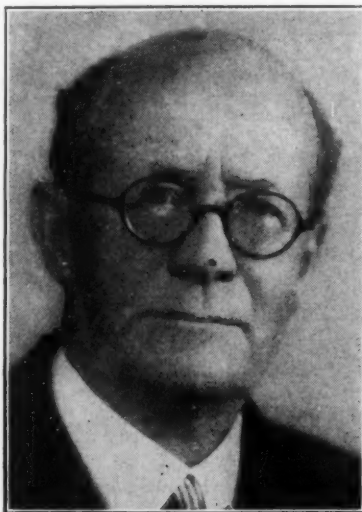
Comment on Fire Business

The fire business, Sir Frederic asserts, continues to be the backbone of the company's operations and of its success. As regards volume, while some of the sources from which it derived its foreign premiums are now closed to the company, he said that the home business has had an important compensation. For many years the associated office, the "Law Accident," reinsured certain sections of the accident business written by the Royal London Mutual. That agreement was replaced as from May 31, 1941, by another, under which all the fire and accident liabilities of the Royal London were all reinsured by the London & Lancashire.

In referring to the results of the fire business in the United States he said that they are not gratifying and, in fact, he characterizes them as "poor," as in the previous year and he predicts they are not likely to recover until the rates, which began to be severely reduced three or four years ago, are substantially improved. Undoubtedly he concludes that the fire waste in Great Britain and America notwithstanding the precautions taken is heavy, and greater than it should be. The weather, he finds, had something to do with the results last year as in 1940 and the same factor has been operating in the United States where the losses during the recent winter were abnormally heavy. Increased industrial activity, especially when it is accompanied by a feverish transformation of so many factories from normal to war work, must mean an aggravation of the normal

chances of fire happening, he adds. He does not consider that sabotage has been a real cause no more than it was in the case of the "Normandie," but a careless or casual workman may under such exceptional conditions by a thoughtless act easily start even a conflagration.

Sir Frederic said that the company's casualty business did not turn out as



FREDERIC PASCOE RUTTER

well as might have been anticipated. An increase in premium income is seen but a larger increase in losses is recorded due almost entirely to the aggravated hazard of workmen's compensation business and of automobiles, the two largest sections and the least profitable. It was curious that with a succession of air raids, automobile accidents should have, in the L. & L. experience, become more prolific. Less care by drivers, often of army lorries, has been the cause.

In regard to third party liability, Sir Frederic was relieved to find as the year progressed that the courts seemed to be showing a tendency to take a more logical view of that curious aberration of the House of Lords, or rather of its judicial element, when it decided to place on a pedestal the potentiality of a person's life, applying even with heavy damages to little children. "It is to be hoped," said he, "that the decision of 1937, one which cannot be altered except by legislation, will receive its certain if gradual quietus."

Coming to the marine business, he said the London & Lancashire owns the two companies which transact its marine business. One was acquired in

1907 and the other in 1917. The war business, he said, has proved almost to the end of the year satisfactory but this was always an uncertain and indefinite factor. For by degrees almost the whole world became involved, not merely inferentially, but actually as belligerents against their will. Then the entrance of Japan, and consequently the United States completed the vicious circle, with a dramatic avalanche of losses both in the Pacific and Atlantic.

What remains of ordinary peace time marine business, Sir Frederic says, has naturally greatly shrunk as regards tonnage, and the outcome has not been good, but definitely bad. The income has been maintained and more than maintained by increased rates, both for hulls and cargo, and by values, which have been doubled and even trebled but the hazards have increased to a much greater extent, because of the lack of lights and lighthouses, because of the anxious avoidance of the usual sea routes, because of the lurking submarines, and other disadvantages which must be obvious to all.

"And so, what had, even in December," said Sir Frederic, "looked like being a bumper year, required eventually the extra provision of £350,000 for unexpired risks. Therefore, the still apparent prosperity of the marine account for 1941 should be regarded as evanescent and not to be depended upon with any confidence in the immediate future, or after the war is over when millions of chickens of all kinds will be coming home to roost."

Reduction in Interest Returns

In regard to interest yield, Sir Frederic said that that from investments which, including the small proportion of life profits, amounts to £344,854, is a reduction of £49,018 compared with 1940. Half of the interest now goes to the British government, but a corresponding half comes off the dividend, and therefore in appearance it is as broad as it is long. But there are other considerations, he said, apart from income tax, such as the redemption or conversion of so many securities from which the company has been receiving 4, 4½ or 5 percent, and the reinvestment at a yield of scarcely one-half of what it had been earning. In case of Great Britain, Canada and Australia, Sir Frederic said that if one takes a so-called gilt-edged investment repayable in from four to five or six years, he will find that the net return after deducting all taxation averages less than 1¼ percent. If the United States is taken into consideration, the net yield is less than 1 percent. These results, he said, have a depressing effect on the total returns from investments. Otherwise generally speaking, he said, the company's financial position is as strong as ever.

In commenting he said, "But this devastating war has shattered so many things. Precedents of all kinds have become almost valueless and values meaningless. But if you can rely with confidence on the maintenance of the

price of British government securities, and also are able to take credit for the important difference in the exchange of the dollar as compared with the pound, then our position is almost exactly what it has been during the last two years, for we still possess the buttress of that considerable inner reserve."

Sir Frederic in his report said that the company has earmarked to the credit of the United States government the bulk of its shares in two of its subsidiary companies which operate in the United States. It continues to receive, however, through its own government all the interest and profit (if any) of these companies, just as if there had been no such transaction. In that arrangement, he said, the London & Lancashire was very glad to facilitate as being a real help to Great Britain in its time of need and a financial security to the U. S. government before its entry into the war, when it was immediately decided to pool the resources.

Office Was Decentralized

Commenting further, Sir Frederic says, "We have gone through a chequered, interesting, anxious year, and we have every reason to be satisfied with the working of our various offices spread all around London, which decentralization was necessitated by the opening of the war. The complications have been great. But then the complications of the insurance business have always been very intricate and I think 1941 has, if anything, demonstrated our dependence upon the trained expert and utility of anything like state insurance if the unsounded depths are to be avoided. Indeed as the war progresses there is increasing necessity for the key men, the professionals, who are not only indispensable but still have their hands full when peace arrives."

One of the graphic parts of Sir Frederic's report deals with Japan. He calls it a fascinating little country which he visited in 1920. He says: "Over-populated, with a people ingenious, imitative, clever, industrious, able to live on rice and little more, a people of whom the military element had been seething for 40 or 50 years and which in the course of their evolution, whilst they were our comrades in the last war, were then actually basing their constitution on that of Germany. When I visited Japan, after they had filched from us nearly all our direct business, I found them polite with all their blandishments, but like the ancient Greeks, prone to make presents which forecast trouble. I had the temerity to write in my diary at that time, 21 years ago, that their military extremists were waxing for war with America and that they would probably start it with a swift naval victory."

"In thinking of Japan I cannot escape the conviction of the truth of Darwin's theory of the origin of species. Their simian capacity for tricky, insidious depredations had been developed to a high art and we should have long ago regarded them as not merely as amusing but as gravely dangerous



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specimen of the animal kingdom. It was typical that I should have received a card of good wishes from Tokio in December, on the very morning after the crime of Pearl Harbor."

The capital of London & Lancashire is £1,455,724. The reserve fund is £2,000,000. The fire fund amounts to £3,628,123, the casualty £1,970,156, marine £2,310,309, staff pension £446,689, total £13,873,230. The life and fixed term funds are £11,962,258 and the total resources are £27,291,213.

Anthracite Field Club Names Committees

Following the recent meeting of the Anthracite Field Club of Pennsylvania, committees were announced by B. F. Harding, president, who is a member of the adjustment firm of Lucas, McDonald & Harding of Scranton, Pa.

He announced that the club would dispense with its June outing, and urged all the members to donate the money they would otherwise spend for the outing to the American Red Cross.

Other officers are P. C. O'Connell, New Hampshire Fire and G. D. Cassar, district secretary of the Middle Department Rating Association, Pittston, Pa.

The committees are: Scranton entertainment—F. J. McDonald, John Thetford, Jr., and Allen Wikman, Scranton, Pa. Wilkes-Barre entertainment—R. C. Lomas, T. F. Dougherty and Joseph Laufenberg, Wilkes-Barre, Pa. Auditing—George Mason, Harrisburg, and E. J. Eggert, Harrisburg, Pa. Spoons—G. A. Davies, Scranton. Membership—John Monroe, Philadelphia; L. W. Powers, Philadelphia; Wm. Battershall, Bethlehem. Flowers—E. G. Wickham, Philadelphia. Publicity—E. J. Eggert, Harrisburg. Chairman of Business Development—S. B. Illingworth, Wilkes-Barre. Finance—H. W. Peterson and T. Howard Bacon, Wilkes-Barre, Pa.

One of the speakers, Deputy State Fire Marshal Al Wilson, of the Wyoming barracks of the Pennsylvania state police, has agreed to return at the October meeting to continue his discussion of incendiary bombs, and also to present a detailed report of the activities following the recent meeting.

Higginbotham Nominated for Commander of Post 404

H. T. Higginbotham, assistant secretary California state compensation fund, has been nominated for commander of Insurance Post 404 of American Legion in San Francisco, to succeed C. C. Washburn, Pacific Coast manager Preferred Accident. Others nominated are:

First vice-commander, P. A. Crosby, St. Paul-Mercury Indemnity; second vice-commander, S. S. Ridgely, Hooper-Holmes Bureau; finance officer, E. F. Zimmerman, National Automobile Theft Bureau; judge advocate, F. P. Barrett, C. I. T.; chaplain, E. P. Norwall; historians, R. M. Kurtz and P. T. O'Dowd, brokers; sergeants-at-arms, R. J. Breuer and Cliff Feathers, brokers; service officer, R. C. Allemann, Hinchman, Rolph & Landis. Election will be held July 16.

Two Caldwell Women Attain Eminence

Two women residing in the small New Jersey town of Caldwell have attained eminence in the field of insurance organizations. They are:

Mrs. Ada V. Doyle, who has just been elected president of the National Association of Insurance Women, a fire-casualty organization, who conducts an agency, and Miss Elsie M. Matthews, who is chairman of the women underwriters committee of the National Association of Life Underwriters, and is affiliated with the Newark agency of Connecticut Mutual Life.

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

Organization Problem in Canada Outlined

TORONTO — That the Canadian Underwriters Association has a problem to solve "in order to prevent complete disintegration of tariff principles" was reported to the annual meeting recently of the C.U.A. by Kenneth Thom, president of the association and general manager of the British America-Western group.

Ontario, Quebec Figures

"In the year under review it has been necessary to hold three general meetings, one in July, one in October and one in February," Mr. Thom asserted. "Questions of company and agency relationship and of membership were the reasons for these general meetings. It happens that the fact is these two problems are but two phases of one problem. The withdrawal of support of large groups is a very serious factor, and it should be noted that through the loss of membership in the past 10 years the association has suffered by a contraction of assessable premiums directly

and indirectly through the enlargement of the non-tariff market.

"As one indication of the effect of such withdrawal, may I draw your attention to certain figures. I quote 1941 figures for the fire business only and for the provinces of Ontario and Quebec only, since our territorial jurisdiction for other classes extends beyond these two provinces and such figures are not completely available.

"Immediately preceding the formation of the Canadian Underwriters Association certain insurers withdrew and since that time others have. Those listed below have continued in business in the territory, competing on a non-board basis:

"Scottish Canadian, 1941 premiums \$37,350; General Accident of Canada, \$86,856; General Accident of Perth, \$249,864; Dominion of Canada General, \$233,474; Casualty of Canada, \$59,261; Union of Paris, \$161,907; Canadian Fire, \$149,214; Canadian Indemnity, \$84,910; North America, \$419,226; Philadelphia F. & M., \$28,765; Alliance of Philadelphia, \$191,981; National Security, \$32,977; total \$1,735,785.

"The resignation of the Continental group is up for consideration; this group's fire income in Ontario and Quebec in 1941 was \$588,876.

"The fire income of tariff companies

in this territory in 1941 was \$19,957,747; and these figures include, of course, those of the North America and the Continental groups. Had these groups not contributed their incomes to this figure, the assessable income of the association would have been \$18,695,922.

Income of Former Members

"The fire income for the two provinces, of the companies specifically mentioned above, amounts in all to \$2,326,661, or 12 percent of the fire premium income of members. The effect on the cost of operating the association of such deflection of assessable income is patent.

"This problem is yours and mine to solve in order to prevent complete disintegration of tariff principles.

"The discrimination in the matter of taxes between joint stock insurers and mutual and reciprocal insurers and Lloyd's has been considered and a brief prepared and filed. The committee handling this matter has interviewed the minister of national revenue, and consultations have been held with the finance and income tax departments."

"Why Disability Insurance is a Good Investment for You" cost only \$2 per 100. Order from The National Underwriter.

SHE WON'T TALK!

Will You?

THE ENEMY HAS EARS

WE hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

Copies of this poster, size 9 x 12 inches, will be furnished any insurance agent for window display

purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.





"—so I said to Bob, 'If there's one thing I don't need—it's falling plane insurance!'"

inaw, Mich., and remained in that connection until 1899. He then operated a local agency, representing U. S. Health & Accident and other companies from 1899 to 1902 when he joined Grain Dealers National. He was born in 1878 in Saginaw.

George B. Buell, 81, president of Merchants Mutual Fire, Charleston, S. C., died there.

Floyd B. Reinking, 55, Chubb & Son, Seattle, died of a heart attack.

B. L. Gregory of Philadelphia, special agent of Aetna Fire, and Mrs. Gregory are bereaved by the death of their only child, a 19-year-old daughter. Burial was at Mason, Mich. Mr. Gregory traveled in Oklahoma and West Virginia before going to Philadelphia six years ago. His brother is J. W. Gregory, assistant western manager of Crum & Forster.

Harry W. Gosser, 62, senior partner in the H. W. Gosser Agency, Sandusky, O., died. He was a former chief ranger of the Catholic Order of Foresters.

O. L. Kelly, 75, Bryan, O., local agent, died.

Patricia Kirkham, aged 5, daughter of H. J. Kirkham, Medina, O., special agent of the New Hampshire Fire, was killed in an automobile accident.

M. C. Kelly, 67, Kelly-Briscoe Insurance Agency, Lockhart, Tex., who had been in local agency work for 27 years, died of a heart attack.

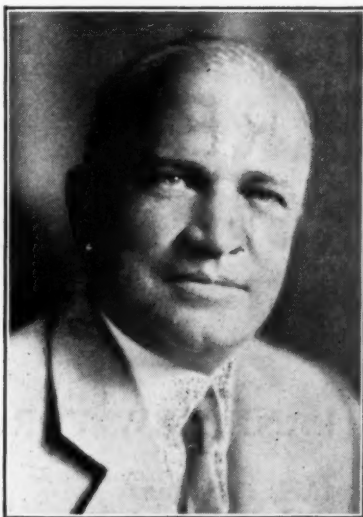
Mrs. Walter T. Torrey, wife of the Houston local agent, died.

A. S. Heatfield, 65, veteran special agent in Washington for Selbach & Deans, died in his sleep in a lumber cabin near Republic, Wash. He made his headquarters at Spokane. Mr. Heatfield was on a trip inspecting mine properties. After his car rolled into a ditch, he sought the help of lumbermen who put him up in their camp for the night. When they went to rouse him in the morning, he was dead.

For years, Mr. Heatfield was one of the best-known fieldmen in the Northwest, being affectionately known as "Gloomy Gus." He also was well-known among company executives in San Francisco and the East, who in their earlier years traveled the Northwest and Mountain field with him. He was a member of the Blue Goose and the Inland Empire Fire Underwriters Association.

Louis L. Law Succumbs to Heart Ailment

MINNEAPOLIS — Insurance men from all parts of Minnesota attended the funeral service here for Louis L. Law, prominent field man and grand custodian of Blue Goose. Burial was at Lakewood cemetery. Mr. Law's death was a shock to insurance men for he had been about his work until a day or two previously. Only last week he attended the annual meeting of the National As-



LOUIS L. LAW

sociation of Insurance Women at St. Paul and was scheduled to give a lecture July 9 before the Range Underwriters Association at Virginia, Minn. A slight cold contracted at the recent field men's outing at Brainerd, Minn., is believed to have aggravated a heart ailment which caused death.

For a quarter of a century Mr. Law was prominent in Minnesota insurance. For many years he was state agent of London Assurance, active in all the field men's organizations and a familiar figure at all insurance gatherings in Minnesota. He had come up through the Minnesota pond and three years ago was elected grand keeper. At the time

of his death he was custodian of the grand nest and in 1944 would have been host to the grand nest at Minneapolis. He was past president Minnesota Fire Underwriters Association and Minnesota State Fire Prevention association.

Mr. Law was an able public speaker and frequently addressed insurance gatherings. He was one of the lecturers in the educational course sponsored the past few months by the Minnesota Association of Insurance Agents.

Mrs. Law and a son in military service survive.

W. T. Harrison, 78, Middletown, O., local agent, died. He had been ill several months.

James F. Ryan, 66, Cleveland local agent for 31 years, died of a heart attack.

John H. Earls, 71, who was at one time vice-president of the Earls-Blain agency of Cincinnati, died at the home of a sister, Mrs. William A. Smith in Wilmington, Del. He was born in Danville, N. Y., and was connected with Aetna Life in Chicago before going to Cincinnati to join the Earls-Blain Company in 1924. He retired in 1929. A brother is William A. Earls, president of the Earls-Blain agency.

Charles R. Casey, 39, president of John G. Simmonds & Co., the oil insurance organization, died at St. Vincent's hospital in New York after an illness of several months. Funeral services were conducted from his home in Great Neck, L. I. He entered the business as a youngster of 16 with Mosenthal & Son in New York. Two years later he went with Simmonds & Co. and is credited with having developed its oil business to major proportions. He became president of the organization in 1930.

Joseph H. Maloy, head of the firm of Bertschmann & Maloy of New York, and U. S. manager and attorney of Switzerland General, died at his home in West New Brighton, Staten Island. He was 82 years of age and started in

Convention Dates

July 21-22, Ohio Fire Underwriters Association, Cedar Point, O., Breakers Hotel.

August 24-26, Insurance Section, American Bar Association, Detroit, Hotel Statler.

Aug. 23-25, Idaho Agents, Boise.

Aug. 24-25, Utah agents, Ogden, Hotel Ben Lomond.

Aug. 26-27, Blue Goose Grand Nest, Toronto, Royal York Hotel.

Aug. 26-28, Washington and Oregon agents, joint meeting, Portland, Ore., Multnomah hotel.

Aug. 31-Sept. 1-2, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 3-5, Michigan Agents, Mackinac Island, Grand Hotel.

Sept. 14-15, International Claim Association, Chicago, Edgewater Beach Hotel.

Plans for W. Va. Convention

Although the matter has not been definitely settled, it is likely that the convention of the West Virginia Association of Insurance Agents will be held Aug. 17-18 at White Sulphur Springs, W. Va. It is now indicated that the Greenbrier at White Sulphur will be available after July 9.

the business in 1873 as a boy in the offices of George E. Luebbers. In 1898 he became connected with J. Bertschmann who was attorney for Switzerland General and soon the partnership of Bertschmann & Maloy was formed. In 1914 Mr. Maloy also became successor to the managership of Switzerland General.

Harry K. Fritchman, 77, Boise, Ida., agent and former mayor of the city, is dead.

V. H. Butler, 47, president of the Peter & Butler agency of Louisville, died at the Norton Memorial hospital there.

Tradition . . .

Developed in the fine traditions typical of New England . . . our greatest heritage is the constancy of our agents. Their loyalty through many years has become traditional.

RHODE ISLAND INSURANCE COMPANY

INCORPORATED 1905

FIRE - AUTOMOBILE - INLAND MARINE
THE INSURANCE BUILDING
PROVIDENCE, R. I.

"Prompt Paying Preferred"

50 + YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 57 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

The NATIONAL UNDERWRITER

July 9, 1942

CASUALTY AND SURETY SECTION

Page Seventeen

Group Companies at Odds on Rates for Hospitalization

Struggle Looms as N. Y. Dept. Prepares to Wield New Power

NEW YORK—Group-writing companies are keenly interested in what the New York department is going to do with its newly acquired police power over rates for group accident and health, death and dismemberment, hospitalization and surgical benefits. An amendment to the law which became effective in May requires companies to file their rates and scales of commissions and a company may not write business at less than its filed rates or pay more than its specified commissions. The department is empowered to collect experience to determine whether rates being charged are, as the statute phrases it, "self-supporting on reasonable assumptions as to morbidity or other appropriate claim rate, interest and expense." If it feels that conditions warrant, the department can promulgate a minimum scale of premium rates, which it may change from time to time.

There is quite a wide divergence of opinion as to what the minimum basis should be, particularly as regards hospitalization and surgical benefits. Some group executives feel that the present level of rates is too low and that the state should use its new power to push rates considerably higher than the lowest now being charged. Others hold that even the lowest current rates are adequate if sufficient underwriting care is used and overhead and acquisition costs are held down. They feel that the experience tending to indicate that present rates are unduly low is predicated to a considerable extent on small cases, not too carefully selected, and lacking in the desirable element of employer contribution.

Group-writing companies are now in the process of filing with the New York department their rates and experience basis.

Non-life group coverages have been a source of increasingly bitter dispute among group companies for the last year or so. Fixing proper rates for group hospitalization and surgical benefits has been complicated by the relative shortness of the experience with this line and by the fact that companies have felt it necessary to follow the pattern of their competitors, the hospital associations, in charging a lower rate for wives and other dependents than the experience warrants. Experience has shown that the premium for a man and wife should be $\frac{3}{4}$ to four times the rate for a man alone.

Regardless of the immediate future, it appears likely that rates will level off at a somewhat higher plane than at present, for there seems to be an underlying upward trend in claims.

Accidents Show Upward Trend

Life Insurance Institute Presents Some Facts Concerning the Toll

July and August will see the equivalent of every person in Pittsburgh, Seattle and Buffalo, either killed or injured by accidents, unless the toll is cut by strenuous individual preventive effort on the part of everyone in the country, it is announced by the Institute of Life Insurance.

"These two months represent the accident peak period of the year," the Institute said, "and unless previous experience is improved, there will be approximately 17,500 deaths and 1,650,000 injuries from accidents in this period. If the nation were to lose the production facilities of all of Pittsburgh, steel center, Buffalo and Seattle, plane and munitions centers, it would be regarded as a national catastrophe and yet that is the man-power equivalent of this accident toll."

Occupational Injuries Up

Occupational accidents are more numerous in July than at any other time of the year. Summer relaxation appears to carry with it a let down in safety attention which every worker should fight, the Institute says.

Falls reach their peak in these two mid-summer months.

Drownings are, of course, at the year's peak—and most drownings are the result of failure to observe known rules of this summer sport.

Poison accidents reach their annual high in mid-summer.

Automobile Accidents

Even automobile accidents, which do not reach their peak until later in the year, stand as one of the important hazards of mid-summer, for a large part of the working force. The summer death-rate from this cause is at the high point of the year for those under 25. It is also especially hazardous for children under five, among whom the mid-summer rate is four times that of February. The automobile hazard may be lessened this year as a result of gas rationing, but the effect of this will be felt least among the workers who use their cars to get to work.

Home accidents reach the second highest point of the year in July, only January showing a higher rate, even though most people regard home as the safest place. In July, they are one-fourth more numerous than in May.

Drop Minimum Power Plant Vandalism Charge

NEW YORK—The National Bureau of Casualty & Surety Underwriters has removed the \$50 and \$100 minimum additional premiums, for malicious damage insurance under power plant policies. This change is not effective until Sept. 1, along with a number of detail changes in the power plant manual.

The rates for this coverage remain the same, 2 per cent additional for direct damage boiler policies and 5 per cent for

Air Views on Providing War Injury Benefits

WASHINGTON—Speaking for the entire workmen's compensation insurance industry at a hearing before a subcommittee of the Senate finance committee on the Pepper bill, William Leslie, general manager National Bureau of Casualty & Surety Underwriters, stated that insurance carriers are in agreement with the principles of the bill in so far as they affect their interest and workmen's compensation under existing state laws.

The carriers recognize, he said, that under the bill the federal government assumes a responsibility for war risk claims and they feel that this is a proper responsibility. Mr. Leslie represented the stock and mutual companies and the state insurance funds in appearing as spokesman for the business.

The carriers are particularly interested in the provision which deals with reimbursement of employers or insurance carriers for war risk losses they may pay under existing laws. There is no way in which policies may exclude any losses that are awarded under state compensation laws, irrespective of whether they are the normal losses contemplated in the rates or those unforeseeable losses that might arise from the present emergency. A potential catastrophe hazard is present that could prove a very serious blow, he said.

Offer Skilled Adjusters

Insurance carriers have 11,000 skilled claims adjusters and they are prepared to offer the services of this group for the purpose not only of taking care of the claims which may be held compensable under state laws and thus a proper charge subject to the reimbursement feature of the bill, but also their services in the investigation and preparation of claims for the civilian population that would otherwise be taken care of under the bill. He emphasized that the industry wished to offer its services in cooperation with whatever agency administers the law.

The insurance industry hopes "that some decision will be reached with respect to this legislation as promptly as may be, because of the situation confronting them and the employers that they cover," Mr. Leslie stated.

In negotiating with the administrative agency with respect to the means and method of investigating claims and securing reimbursement, he said that he

(CONTINUED ON PAGE 32)

direct damage on machinery. For indirect damage policies, there is a 10 per cent increase for boiler and 25 per cent for machinery insurance. The 25 per cent increase also applies to power interruption insurance.

Many Bicycles to Go in Use

The Office of Price Administration will begin rationing bicycles July 9, and will permit the purchase of 230,000 from that date to the end of August by persons in the United States and its possessions. Valid applicants consist largely of war workers.

Impetuous Action on Auto Rates to Be Avoided

Companies Are Waiting for Final Word on Gas Rationing

Casualty company executives are continuing to watch almost daily the trend in automobile travel and accidents and the effect of all government edicts touching upon the use of the automobile in an effort to form sound judgment on what action, if any, should be taken in respect of rates. It may be said that currently the consensus of responsible executive opinion is against taking any precipitate or impetuous action in the way of reducing rates.

When the automobile accident record took a nose dive in April there was considerable sentiment aroused in favor of reducing automobile P.L. and P.D. rates but when the accident toll went upward in May, there was a decided change in sentiment and a policy of wait and see was rather definitely crystallized.

Now most executives believe that the wise course is to watch for what might be termed a point of stability in the automobile accident record. The Bureau of the census' reports from week to week have shown a very uneven trend.

For one thing the companies want to see what the final decision is to be as to gasoline rationing and then when that decision has been made they will want to see what the practical effect shall be. If some rate change is to be made the companies want to be as sure as they can that it will be the only changes that will have to be made at least until spring of next year. They do not want to be in the position of making a rate reduction only to find that within a few weeks a deeper cut should have been made or that no cut at all should have been made.

Effect of Rationing

From a theoretical standpoint, although nation-wide gas rationing might very well serve to reduce accidents, yet there are some adverse factors such as the loading of cars of workers in war industries which might mean an increase in multiple injuries per accident, and the deterioration of cars and tires. Most company executives feel that there are simply not enough true indications at present to justify any action on rates.

For the week ending June 27, according to the Bureau of the Census, automobile fatalities were 16 percent below those for the corresponding week of the previous year in those cities upon which reports are based. For the first 25 weeks of this year the fatalities were 8.4 percent below the same period of last year. The largest decline during that period has been in the south Atlantic territory with a reduction of 24 percent. In the east south central section the fatalities are exactly the same as they were last year. The same situation prevails in the

(CONTINUED ON NEXT PAGE)

Holds Auto Cover Situation Anything But Pessimistic

LANSING, MICH.—Unwarranted pessimism is the chief barrier to maintaining present automobile volume or even increasing it, the automobile study committee of the Michigan Association of Insurance Agents was told at a meeting here by I. W. York, superintendent of agents Auto Owners.

"Take a thousand salesmen who don't know it can't be done and they'll go out and do it," he said. The opportunities for developing automobile business in Michigan are better than in some other states, Mr. York held. Brookings Institution recently noted that a survey of 749 Michigan plants shows about 75 percent of the 434,684 workers employed in the plants reach their jobs by automobiles and out of 850,000 wage earners employed in Michigan industries, 635,000 are dependent on private automobiles to get to work.

The Ford bomber plant was located at a place beyond the effective range of any transit system or railroad facilities. It will employ about 100,000 persons by the spring of 1943.

Urges Reaching Uninsured

"If we will contact the uninsured market (that 66 2/3 percent of automobile owners who have never carried public liability and property damage coverage), and if we will contact those people who heretofore have been perpetual customers of a finance company (they usually traded in their old car for a new one at about the time they completed paying for their old machine); if we will contact the new owners who are moving into cities buzzing with war industries; and if we will realize that a very, very small number of people are actually putting their cars in dead storage and explain to those who don't that even though they drive less they need insurance protection if they drive at all, we will all be able to show an increase in our automobile insurance writings."

W. O. Hildebrand, secretary-manager of the state association, said many inquiries are being received from members relative to the auto situation and the study committee's activities but the committee is not yet ready to release definite recommendations. Another meeting is planned in August.

Impetuous Action To Be Avoided

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Rocky Mountain states. In the west south central section there was a drop of 18 percent, east north central a drop of 11.1, Middle Atlantic 4.5, Pacific 4.1, west north central 3.2 and New England 3.1.

Harper's Duties Are Enlarged

BALTIMORE—William T. Harper has been promoted from vice-president in charge of the agency division of Maryland Casualty to be vice-president in charge of all casualty underwriting departments.

J. McClure Gillet will continue as vice-president in charge of the liability and compensation department, reporting to Mr. Harper.

Mr. Harper entered the service of Maryland as a clerk in the fidelity department in 1911. He became an underwriter, then assistant supervisor of the public official and depository department. In 1917 he was made manager of that department, a post he held until his appointment as agency director in June, 1934. He was elected a vice-president in 1935.

Comprehensive Plan Too Many Unstable Factors to Reduce Auto Rates Now

John H. Eglof Speaks of Liability Policy from Sales Angle

ST. PAUL, MINN.—Comprehensive liability policies are going to change the whole concept of merchandising liability insurance, predicted John H. Eglof, supervisor agency field service of Travelers, in an address at the convention of the National Association of Insurance Women.

Through use of these policies, he said, the burden of determining what to insure and what not to insure is removed from the shoulders of the insured and placed squarely on the producer and the carrier.

"Since a risk cannot choose the kind of accident that will give rise to the need for liability insurance, it is wise to be protected against all losses under one policy," Mr. Eglof said. "One policy, one premium, and worry regarding liability insurance is off his mind."

As for finding prospects for this type of coverage, he advised agents to "see a lot of them and you'll sell a lot of them!"

"You should know the minimum qualifying premium requirements in your territory for both the automobile and general liability comprehensive policies," Mr. Eglof said. "Insurance salesmanship methods are changing. It is now recognized that knowledge plays a most important part in securing the order and in servicing the risk. It is a knowledge of two things—needs and coverages. Your job and my job is to ferret out needs and supply coverages. If you can do that you are a salesman and a good one."

Remarking that retrospective rating put new life into the compensation business, Mr. Eglof said that comprehensive policies are to liability insurance what retrospective rating is to compensation, the opening wedge to unlimited millions in premiums. Surveys are important, he said, in selling comprehensive liability.

Assured Not Informed of Exclusion, Held Void

OKLAHOMA CITY—The federal district court here refused to enforce a limiting endorsement on an automobile liability policy, on the ground that the assured had been told by the agent that he had complete coverage and had not had a chance to see the policy before the accident occurred.

W. L. Galloway, a butane gas distributor, was insured in Ohio Casualty. Following a crash, his truck exploded and took fire, injuring several spectators and destroying considerable property, including a house. He testified that he had ordered complete liability insurance from his agent and had been assured by the agent that he was covered against all accidents. He claimed he had gone on the trip where the accident occurred before he could examine the policy and had told the claimants that he was fully insured before he discovered that the policy had been endorsed to exclude fire and explosion claims. Judge E. S. Vaught held that the agent had perpetrated a fraud and that the company was bound by the agreement between the agent and the assured, so that the accident was covered up to the policy limits.

Counties Held Not Liable

OKLAHOMA CITY—An opinion handed down by the Oklahoma attorney-general holds that a county is not liable for damages in accidents in which county employees driving county trucks are involved.

In an article written for the midyear financial edition of the Hartford Times, John J. Hart, assistant secretary of the automobile division of Travelers, replies to the current agitation for readjustment in automobile rates.

Underwriters feel it is too early and conditions too unstable to make any material revisions now, he writes. The picture is changing from week to week. In the 17 eastern states where gasoline is rationed the public has been advised of a change in the rationing unit from three to six gallons applicable until July 22. It is uncertain what the allowance will be after that date.

Some Concessions Already Made

Mr. Hart points out that some concessions already have been made by the companies: The endorsement permitting car owners to transport fellow workers without increased premium; agreement to construe auto liability policies to apply in case of various war emergency uses of cars, and the change in qualification for A-1 rating.

The 1942 accident record is bound to be an improvement over 1941, but how great an improvement is an open question. Improvement began in February and with the exception of one or two freakish and unexplainable weeks has been consistent. Figures gathered in various states by Travelers show a 25 percent reduction in motor vehicle accidents during May and figures for June are expected to show an even greater improvement over the corresponding month last year.

Rationing Restricts Few

But the question still remains as to how many cars are going to be seriously affected by tire and gasoline restrictions. The first tabulation by the Office of Production Management of the effective gasoline rationing for the 17 eastern states reveals that only 30.8 percent of all car owners have been issued "A-1" cards and are thereby seriously restricted in the operation of automobiles. Fully half of private type cars on the streets and highways are being operated without serious restrictions. The number of "X" cards issued totaled 9.6 percent, the "B-3" 37.3 percent, and the "B-1" and "B-2" cards combined 22.3 percent.

Although it seems probable that fewer miles will be driven by cars for the next six months and possibly for many months to come, many of them will be in a poor condition, Mr. Hart stated. More persons will be riding in them. Reduction of traffic density in and about cities and towns and particularly on the open highways has already increased speed. Congestion near military and war production establishments adds another unusual exposure. Dimouts and blackouts may produce accidents. All of these circumstances may have a marked effect on the seriousness of accidents. Accidents may be fewer, but more costly. Companies already have observed in 1942 a rise in the cost of liability and property damage claims.

Much of the present uncertainty may be clarified in a few months, Mr. Hart stated and then some action can be taken on rates.

Trefry Los Angeles Manager

Ned Ordway, who has been Los Angeles manager for Industrial Indemnity of San Francisco, has joined the Oregon Shipbuilding Corporation of Portland. The new Los Angeles manager is W. E. Trefry. Until recently he was San Francisco manager for Guarantee Insurance Company and before that was in the field for National Automobile.

Continental Cas. Claim Parley

The annual Continental Casualty claim convention will be held at the Stevens hotel in Chicago Aug. 13-14. Approximately 130 attorneys and adjusters from over the country will attend.

Commando Spirit Is Needed by Agents Now

Hartford Accident in its "Tips to Producers" calls on insurance men to exert their imagination and muscles in obtaining new business during the war. Reminding salesmen that the number of customers and risks is more important than increased premium development, attention is called to many features of insurance protection that may be exploited in times like these.

New short-haul bus lines have arisen; demand for such forms as dishonesty insurance, burglary, robbery, and theft insurance, and coverage for valuable blue-prints in defense plants are all results of the change in conditions brought about by the war.

Hartford also notes that thousands of defense workers can now afford automobiles, and they need personal accident insurance to protect them against loss not covered under compensation laws.

The valuable blueprints and records of plants doing war work should be protected; there are many busy retail establishments that are prospects for accounts receivable insurance; contract bond premiums are produced by the war, there is the opportunity to write personal liability insurance because of the exposure of civilian defense workers, then there is increased demand for glass insurance.

Country stores will receive increased business from local patrons who formerly went to town for their goods.

Priorities have affected the insurance business indirectly or not at all, and there is a job to be done by the man who exerts himself. It is a hard job, calling for commando energy, but it pays dividends.

Casualty Association Gets Convict

CHATTANOOGA—The Association of Casualty & Surety Executives, through its representative, J. C. Ficklin, obtained a conviction and a penitentiary sentence in Hamilton county criminal court against Floyd Phillips on the charge of collecting \$1200 liability insurance by a faked automobile accident injury which occurred 10 years ago. Two others implicated in the fraud are already in prison, but Phillips evaded arrest and was only recently captured in Birmingham, Ala. Mr. Ficklin stated that more than 50 such spurious accidents have occurred in the south netting a gang of racketeers a total of \$75,000 in damages. He claimed that convictions have been secured in 11 cases with 16 more to be disposed of. In their efforts to collect damages, many of these men were able to spit up blood while being examined by doctors and were able to convince medical men they had but a short time to live.

Extends Brokerage Plan

Employers Mutual Liability of Wau-saw, Wis., which has been strictly a direct writing company until it commenced brokerage operations in New York, has now extended its new policy and is writing on an agency and brokerage basis in northern California. It is confining its activities for the present to the San Francisco metropolitan area. B. C. McKee recently was placed in charge of the brokerage department there.

Distributes New Bicycle Form

LANSING, MICH.—Auto-Owners is supplying agents with forms for its new bicycle policy, which was announced at the annual sales convention held recently in Grand Rapids. The policy provides full fire coverage and \$3 deductible theft and collision insurance plus \$5,000 public liability and \$1,000 property damage for a \$7 per year premium for the first bicycle in a family. Other bicycles owned by the family may be insured under the same policy by attaching an endorsement for an additional premium of \$5 per machine.

Devise Form for Covering Excess War Profits

NEW YORK—Surety men feel that the permission of the War Department to insert a clause in U. S. standard form No. 25 (revised) in any contract falling within the provisions of the recently enacted excess war profits act relieving them of liability for the return of excess profits has done much to solve the problems which may have arisen under that law.

Following negotiations with the War Department, the following may be inserted in the form: "Provided, however, that the foregoing obligation of the surety shall not be applicable to the liability of the principal for the return of excess profits under the provisions of section 403 of the sixth supplemental national defense appropriation act, 1942."

This language, with appropriate modification, will also be used in subcontracts and consents of surety to modification of contracts where the renegotiation and recapture clauses are inserted in prior contracts.

Since enactment of the law, surety companies have been concerned over their excess profits liability and the underwriting problem as to whether the principal may be rendered insolvent on account of excess liability under another contract.

Rhode Island Continues to Write War Cover

(CONTINUED FROM PAGE 11)

submit to home office. Zone 2 is within 50 miles of the Atlantic coast, and the coastal cities of the Gulf coast, and Washington, Baltimore and Philadelphia. Zone 3 is the balance of the country.

The basic annual rates for one year non-cancellable policies covering either property damage or use and occupancy, rental value, leasehold interest, etc., 50 percent coinsurance are:

Zone 1—Fireproof, 1.20; other classes, 1.80; dwellings and apartments, .75.

Zone 2—Fireproof, .90; other classes, 1.35; dwellings and apartments, .50.

Credits applying to zones 1 and 2 only: Any risk located in cities with population of 100,000 or less, 25 percent; if policy is written with 60 day cancellation clause (pro rata to company—short rate to the assured), 25 percent.

Zone 3—Dwellings and farms (no co-insurance required and no credit granted for its use), .10; churches, hospitals, public buildings, fireproof, .10, otherwise, .15; apartments, hotels, mercantile and non-manufacturing, fireproof, .15, otherwise, .20; piers, wharves, bridges and manufacturing risks, fireproof, .20, otherwise, .30; railroad and street railroads, anything except rolling stock, .30, rolling stock, .25; Utility, light and power, regardless of construction, .30.

Credit for Zone 3 risks for sprinkler system, 10 percent.

Minimum premium all zones, \$10.

Co-insurance credits, except on dwellings and farms in Zone 3, for 80 percent clause, reduce rate 30 percent; for 90 percent clause, 35 percent; for 100 percent clause, 40 percent.

Mortgagee's interest in properties involving 50 locations or more (base rates to be used on those applying to classification rates in the territories in which the properties are located).

Credits: If total values exceed \$200,000 up to \$1,000,000, and limit any one property not to exceed \$7,500, credit up to 25 percent; if total values over \$1,000,000 to \$3,000,000, and limit any one property not to exceed \$12,500, credit up to 35 percent; if total values exceed \$3,000,000 up to \$7,500,000 and limit any one property not to exceed \$25,000, credit up to 45 percent; if total values exceed \$7,500,000 and limit any one property not to exceed \$25,000, credit up to 55 percent; if 60 percent or over or total values are not exposed to oil refineries, oil tank farms, airplane factories, or munitions plants, credit up to 40 percent; the usual credits for co-insurance or reporting clause requirements above 50 percent.

Charges: If 30 percent of the values are in congested areas, charge up to 25 percent; if 40 percent in congested areas, charge up to 30 percent; if 50 percent in congested areas, charge up to 45 percent; if over 60 percent in congested areas, charge up to 55 percent.

If owner's interest is also included on

Continental Cas. Offers Personal Hospital Policy

Continental Casualty has issued a new personal hospitalization policy available to individual buyers. This represents the company's first venture into this field, although it has a very large volume of hospital insurance on a franchise basis.

The policy is issued on three plans, basically the same but offering a different benefit amount. The policy pays for a total of 120 days, full rate for the first 30 days and half rate for the next 90 days. It pays four times the daily benefit for miscellaneous expenses such as x-ray examinations and anesthetics, laboratory, etc., on a blanket basis. It pays a benefit for pregnancy, childbirth, and miscarriage amounting to the daily hospital benefit not to exceed 10 days; and \$1,000 for nonoccupational accidental death. It has a limited air travel indemnity, plus a period of grace, incontestability after two years and identification benefit up to \$100.

Details of Indemnity

The first plan offers daily hospital indemnity of \$3 for the first 30 days, \$1.50 for the next 90 days; blanket miscellaneous expense, maximum \$12; accidental death indemnity \$1,000 and maternity benefit of \$30. The rate is \$8 per year for men, \$10 for women, and \$6 for children. The second plan has a base daily hospital indemnity of \$4, and the rates are \$10.50 for men, \$13.50 for women and \$8 for children. The third plan, with a base indemnity of \$5 per day, costs \$13 for men and \$17 for women. There is \$2 additional payment required on the first premium only.

George W. Fitzsimmons, superintendent of agents for the disability division, points out that in 1938 no company had sufficient experience successfully to place an individual policy on the market at a definite rate and with the guarantee that it would not have to be changed, rated up or withdrawn. But with a large volume of franchise business as an experience base, Continental Casualty now is able to offer the personal hospital policy. The war has created millions of wage earners who can afford hospital insurance for the first time, but who heretofore were unable to qualify for the protection through existing facilities.

The vast majority of hospital cases are cleared within the 30-day period, but an occasional case runs well beyond this time, the company points out. Hence, the 90-day extension. An excessive rate is not charged for this, and the reduction in benefits should practically eliminate malingering.

By offering a blanket amount for miscellaneous expenses the company seeks to avoid the device of a lengthy schedule of such expenses. In actual practice the claimant quickly uses up the amount provided for the one or two items required in his particular case and is not substantially helped.

The company has contended all along that pregnancy and childbirth, being controllable and predictable, were not properly insurable hazards. However, they cannot be viewed strictly from the insurance viewpoint. Hospital insurance fills a social need, and the company has sought to offer substantial assistance to the family head without making its contract a maternity policy.

all properties or on part, charge up to 50 percent of final rate after applying credits and charges.

On all waterfront properties, oil storage farms, oil refineries, airplane factories, munition plants, or other such target risks, or other risks within 100 feet of same, increase rates up to 100 percent, depending on specific condition. Do not renew or bind risks of this class. Submit to home office.

For no co-insurance clause, rates shall be higher than the 50 co-insurance rates, except on dwellings and farms in Zone 3, where co-insurance does not apply.

Fine arts, jewelry, furs, securities,

Silver Anniversary



H. S. DON CARLOS

Harlan S. Don Carlos, manager of the life and accident claim department of Travelers, has completed 25 years of service with the company. He joined Travelers July 2, 1917, was trained in its home office school and was successively adjuster, assistant chief adjuster, and associate chief adjuster.

Born in Kansas, he received his college education at the University of Denver, Dartmouth, Leland Stanford, and the University of California. He is president of the Hartford College of Insurance and former president of the International Claim Association.

Creates Lower Priced Forms

General American Life has devised lower priced forms of personal accident protection, by bringing out two policies that are designated as special income accident contract and the champion special accident policy. The main change is elimination of the double indemnity feature and partial clause with a corresponding reduction in premium. Moreover General American has brought out a new non-occupational accident rider that may be attached to any policy except the "simplex" and "pennant." Any worker classified as D, E, F, G or H risk may obtain protection at the A rate with the rider attached. The limit of insurance to be sold to any one risk is \$5,000 principal sum, \$25 weekly indemnity and \$1,000 medical reimbursement.

At the same time General American has launched a midsummer accident contest this month. Awards consist of war stamps.

King Named in New Post

LOS ANGELES—Pacific Employers has created the office of manager of territories and named B. F. King, who has been manager of the southwest office at Houston, to fill the position. He will have headquarters in the home office and jurisdiction over business in Texas, Oklahoma, Kansas, Louisiana, North Carolina, Michigan, Utah, Oregon and Washington.

manuscripts, documents, accounts receivable, and similar classes:

Base rate, .75; credit, if kept in vaults or fireproof cabinets, up to 25 percent; if maximum any one article valued at under \$50,000, up to 25 percent; if under unusual guard or supervision, up to 25 percent; while in hands of others with salvage possibilities through subrogation, up to 25 percent; Zone 3 credit, up to 50 percent.

Charges: If unusual susceptibility to loss, such as articles of glass or of other brittle substance, up to 25 percent; if maximum value any one article exceeds \$100,000, up to 25 percent.

Travelers License in Illinois Given for Current Year

The Illinois department this week reinstated the license of the Travelers for 1942. It will be remembered that when the Illinois insurance code went into effect, July, 1937, it prohibited life companies from writing any other kind of insurance except health and accident. However, a company like the Travelers which wrote casualty lines in addition to life, health and accident was given three years leeway. That took it up to July 1, 1940. The Illinois director of insurance then was privileged to grant annual reinstatement of the license for the next three years which runs to July 1, 1943.

The practice has been before issuing a new license for the department to investigate and ascertain whether in its opinion the company is making an effort to comply with the law by dividing its insurance classes. This would mean that Travelers Indemnity would ultimately take over the casualty lines of Travelers. The last Illinois legislature passed by an overwhelming vote a bill that would exempt Travelers from making this division. Governor Green of Illinois vetoed this measure after receiving an opinion by Attorney-general Barrett that it was unconstitutional and that it was discriminatory.

Vernon General Charter Is Validated by Ind. Court

Charter of Vernon General granted specially by the Indiana legislature in 1851 cannot be repealed or abrogated, the Marion circuit court at Indianapolis ruled in a case involving the company and the state of Indiana. The verdict was for the company and upholds validity of the special charter. The decision was by declaratory judgment.

The court ruled Vernon General is entitled to write any and all kinds of insurance and is not subject to the insurance act of 1935 or any other insurance law except the act of 1899 which merely provides for filing of reports by special charter companies. Vernon General has complied with this requirement and Commissioner Viehmann issued a certificate of authority permitting the company to write all kinds of insurance in Indiana.

In 1941, when his company started doing business, doubts were cast by competitors as to the validity of its operations. To remove such doubts, Vernon General filed suit for declaratory judgment against the state of Indiana and the insurance department.

The company has specialized in writing school bus insurance, having been officially endorsed by the Indiana State Association of School Bus Drivers. During the past year it has written a general casualty business and ultimately plans to develop a complete line of insurance. It now plans to increase its capital and expand its staff to handle a multiple line of coverages, according to Harold H. Bredell, the company's attorney. Under the judgment, Mr. Bredell stated public officials, such as township trustees, etc., are required to accept Vernon policies when they are tendered.

Employers to Move in Chicago

The Chicago office of the Employers group is preparing to move from its present quarters on the fifth floor of the Insurance Exchange building to the 16th floor in the offices formerly occupied by Moore, Case, Lyman & Hubbard. Alterations have been started but it is likely that the space cannot be occupied before about Aug. 15.

Calvin A. Soriero, assistant agency director National Surety, is in San Francisco on an agency trip. Mr. Soriero is visiting agencies along the west coast.

ACCIDENT AND HEALTH

Sterling Names Fisher, Rosenstein to Agency Posts

Sterling of Chicago announces the appointment of Paul S. Fisher as director of agencies and J. L. Rosenstein as superintendent of agents.

Mr. Fisher was the manager of an insurance agency in Kansas for 10 years, where he acquired an intimate knowledge of the problems in the insurance business from an agent's point of view. In 1932 he became agency supervisor of the accident and health department of Hoosier Casualty. He resigned from this position to go with Sterling. He attended Westminster College and is a veteran of the first war, where he was a second lieutenant in the air service.

Mr. Rosenstein received his B. S. degree at Lafayette College, his M. A. degree at the University of Pennsylvania and his Ph. D. Degree at Indiana University. He was assistant professor of psychology of Butler University and for 10 years acted as a consultant to various industries in Indiana and Ohio on personnel selection, training and supervisory problems.

He entered the insurance field as director of agencies for Mutual Benefit Health & Accident in Indiana and after two years went to Illinois with Inter-Ocean Casualty as state manager. He is the author of several books on management-salesman cooperation and is an advocate of the theory that successful insurance selling is based to a marked degree on the amount of cooperation the home office gives directly to the agent.

Sterling Insurance Company plans to qualify in an additional number of states in the near future. Elaborate plans are being made for an extensive agency organization. In addition to the present forms of policies issued by the company, it will introduce full coverage commercial health and accident policies, group accident and health policies and life insurance policies.

Cantelon A. & H. Agency Head of Great-West Life

Great-West Life has appointed Gordon Cantelon as agency supervisor for accident and health. Mr. Cantelon's chief duty will be the promotion of sales in the company's recently established accident and health department.

Mr. Cantelon has been with the company for the past 2½ years, and prior to his new appointment was group supervisor in the company's Chicago office. His sales background and previous supervisory experience have thoroughly equipped him for his new position.

Feather Heads Continental Cas. Intermediate Unit

William J. Feather, formerly with Mutual Benefit Health & Accident, has been named manager of the intermediate accident and health division of Continental Casualty. Mr. Feather succeeds Ralph Corbridge, who has occupied the post the past year.

Mr. Feather was with Mutual Benefit nine years in various supervisory and managerial capacities, most of the time in the east.

Mr. Corbridge, who formerly was with the John McGurk state agency of Mutual Benefit Health & Accident in Indianapolis, now returns to the agency business. He is manager of the agency of Arthur H. Wyatt, who operates as general agent for the intermediate division of Continental Casualty in Michigan out of headquarters in Detroit.

Horn and Rogers in Change

Harold G. Horn, who for more than a year has been in charge of the claim

and field service departments of the Seattle and Portland branch offices of Business Men's Assurance, hereafter will devote his full time to selling. He also has been assisting Manager E. M. Ward of Portland in sales development. Bruce H. Rogers assumed the position formerly held by Mr. Horn. Mr. Rog-

ers has been receiving special training in the home office claim department for 1½ years and before that worked in the sales department. His office will be in Portland. He will be in charge of claim and field service work for both the Portland and Seattle branch offices.

Franklin's New Hospital Forms

Franklin Life announces a new type of hospital coverage in two forms of policies. One is sold to both male and

employed female risks under an individual policy covering hospital expense, surgical benefits and medical care up to a maximum aggregate liability of \$1,000. The second is a family group policy with the same coverage, with a maximum aggregate liability of \$1,000 for each adult and \$500 on each minor dependent. These two plans also permit death and dismemberment to be sold as additional coverage by rider, up to \$5,000, which provides the payment

"Unforeseen events... need not change and shape the course of man's affairs"



NOT ENOUGH HANDS

EVEN THIS TIBETAN GOD doesn't have enough hands... or heads... to keep up with the relentless demands made on some of today's executives.

Many of these men are tackling complex production jobs they never tried before. All are pressed for time...determined to meet, and beat, schedules.

They have been forced to adopt shortcuts... to accept many new employees at face value or to hire them on shorter investigation... to give more of their attention to the job of producing and less to the essential details of accounting.

For protection against loss... in material or in

money...farsighted executives in these circumstances turn to fidelity bonds. Such bonds, written by surety companies like The Maryland, eliminate employee dishonesty as a source of financial worry.

Fidelity bonds are written in many forms. A Maryland agent or broker will be glad to give you information about any of them. Maryland Casualty Company, Baltimore.

With industry under wartime pressure, fidelity bonding offers new opportunities to Maryland agents and brokers. This advertisement appears in...

TIME • FORTUNE • NEWSWEEK
U. S. NEWS • BUSINESS WEEK

THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

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NO. 2 OF A SERIES OF POLICY PROMOTIONS

How to Find *New Business*

*with this unusual series of
Accident and Casualty sales helps*

HOW MANY retail stores are there in your territory? Hundreds, possibly. And every one of these stores a practically perfect prospect for an Accident and Casualty Insurance Company low-cost, special feature, multi-coverage "storekeeper's policy".

Take full selling advantage of it. And of every other kind of policy. Especially now. Yes, "These Days... Anything can Happen". But we want it to happen in your favor!

That's why we are creating for your benefit a complete series of hard-selling sales promotion folders—"policy pushers" to help increase your sales on as many different kinds of policies as



possible. For example: Look at this dramatic storekeeper's insurance folder. It shows why every cash register is a temptation to every crook today. It talks vivid picture-language. Tells why every store needs this seven threat burglary coverage now...

No store, large or small, is immune. Big risk to the big store. Just as big risk to the small, unprotected store. Yet *all* stores can afford this policy, thanks to the unusual seven coverage economy feature—designed particularly for retailers! ... Folder cites other special competitive reasons for buying this policy.



FREE copies
of this pamphlet to
accredited agents
and brokers

May we help you find new business? Particularly on lines you may never have developed before. May we send you one of these cleverly constructed strong selling, business producing folders? Write today—for your copy! Makes the storekeeper prospect think: "How did I ever get along without it?"

Better yet: May we put your name on our mailing list for all our policy promotion literature?

ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

UNITED STATES HEAD OFFICE • 111 JOHN STREET, NEW YORK CITY

Chicago Office • 175 W. Jackson Boulevard • HUGH T. MILLARD, Branch Manager • DON SPLINTER, Special Agent

of three-fourths for the loss of an arm or leg, one-half for a hand, foot, or an eye, and contains the usual double indemnity provisions.

These policies were prepared to fill the demand for a contract under group classification for both male and female risks, including housewives, which did not contain any restrictions as to the number of days of hospital confinement.

The rate on the new policy is \$25 for each adult, and \$10 a year for each minor dependent with a policy fee of \$5.

Adams Succeeds Woodward as Old Line A. & H. Manager

MILWAUKEE—Herbert R. Adams has been appointed manager of the accident and health department of Old Line Life of Milwaukee to succeed Harry A. Woodward, who retired July 1 because of ill health after 27 years in that department and 17 years as manager.

Mr. Adams has been an adjuster for the company for 16 years and is widely known in the field. He has a wide acquaintance among members of the International Claim Association, recently assisting in forming a Milwaukee unit of this group, and is the immediate past president of the Accident & Health Underwriters of Milwaukee.

Succeeding Mr. Adams as adjuster of Old Line Life's accident and health department is Norbert S. Ludwig, who has been with the company 14 years in various departments.

Faber Elected in Detroit

DETROIT—W. S. Faber, Detroit Insurance Agency, was elected president of the Detroit Accident & Health Association at the annual meeting. Mr. Faber, who served as vice-chairman of convention committees for the national association meeting, succeeds Charles Waddell, Mutual Benefit Health & Accident. Alexander Frary, Continental Casualty, was named vice-president. The offices of secretary and treasurer were combined and M. J. Clench, Great Northern Life, was named to this post.

Panel at Wash.-Oregon Meeting

Six San Francisco accident and health men, S. S. Battleson, West Coast Life; Marshall Goodmansson, Provident Life & Accident; Marvin Greathouse, Connecticut General Life; John H. Casenave, Hartford Accident; George W. Kemper, Fireman's Fund Indemnity, and C. C. Washburn, Preferred Accident, will present a panel discussion at the joint meeting of the Washington and Oregon Associations of Insurance Agents in Portland Aug. 26-28.

Blume Succeeds Duffy

John A. Blume has been appointed manager of the accident and health department of the Meeker-Magner Company Agency, Chicago. He succeeds Gerald L. Duffy, who resigned. Mr. Blume has been with the agency many years, having experience in various departments. Mr. Duffy had been accident and health manager for 20 years.

Unsworth in Training Post

W. A. Unsworth, for the past two years one of the leading producers of the Walter Sullivan agency in Cleveland, has taken charge of Monarch Life's western training center at Glen Ellyn, Ill., succeeding A. A. Altermatt, who goes to Minneapolis as assistant general agent under Raymond V. Lynch.

Wisconsin National's Increases

New accident and health business of Wisconsin National Life in June increased 18 percent over June, 1941, and premium collections were up 26 percent. For the first six months the increase in new business is 33.4 percent and in premium collections 27.8 percent.

WORKMEN'S COMPENSATION

Barring of Mass. Vote on State Fund Upheld

BOSTON—The Massachusetts supreme court has upheld the finding of the Massachusetts ballot law commission in ruling off the ballot next November the initiative petition of the state federation of labor for a compulsory, monopolistic state compensation fund. The commission, upon hearing protests of four casualty company executives, found there were 7,000 apparent violations of the initiative and referendum law by circulators of the petitions and more than 5,000 names on the petitions indicated fraud or forgery. The latest decision was upon a writ of certiorari filed by labor.

Labor Counsel Appeals

Counsel Wallis for organized labor appealed, alleging a section of the initiative and referendum law was unconstitutional, and also appealed to the governor to investigate the commission and remove its members if he found the commission had not acted according to law.

The governor signified he would take no action while the matter was pending in court.

Reduce Arkansas Rates

LITTLE ROCK, ARK.—In the first of a series of orders based upon records of individual employers whose annual premiums are \$400 or more, the Arkansas compensation commission has granted rate reductions to 600 employers estimated at \$200,000 annually and retroactive to Dec. 5, 1941, first anniversary of the establishment of the compensation system. Rate studies will be continued by the commission and other adjustments ordered.

Labor Union Classification

NEW YORK—The former ruling of the Compensation Insurance Rating Board regarding the rate classification of outside employees of labor unions has been amended to read:

"During normal periods outside employees of labor unions shall be assigned to Code 5606 executive supervisors. During strike periods outside employees of

labor unions shall be assigned to Code 7720 'sheriffs or deputy sheriffs.' During any strike period any employee who is engaged at any time in strike duties shall be subject to an additional premium of \$1 per day. This additional premium shall be collected in every event in addition to the earned premium and/or the minimum premium as otherwise determined by this or other classifications on the policy. For the purpose of this rule, an interval of strike shall be considered to be that period during which the offices, plant or other property of the assured, under strike, are being picketed by representatives of the striking employees."

Confer on Industrial Safety

MILWAUKEE—Representatives of compensation insurers, state officials and manufacturers met here with about 250 safety engineers from Wisconsin war production plants for a discussion of industrial safety problems. Fred A. Braun, vice-president of Employers Mutual Liability of Wausau, was a speaker. While Wisconsin's safety record is the best in the nation, industrial accidents in the state the last few months have increased more than 73 percent while employment in manufacturing industries has increased only 30 percent, Voyta Wrabetz,

"It's making my agency better known"



There are no priorities on insurance coverages. That's why, today, more than ever, it pays to advertise your agency, to reach a wide range of prospects who need and want protection.

Standard's agency advertising service brings maximum results in attention and recognition. It includes: Attractive folders on all types of casualty and bonding coverage. Blotters. Window posters.

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This effective material, completely described in our advertising catalog, makes your agency better known, shows that you are alert, paves the way for your personal sales calls. You'll find it another indication that you're in good company when you represent Standard of Detroit.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

chairman of the Wisconsin industrial commission, said. He advocates a more vigorous and effective safety program which would operate in all working hours in plants.

State Claims Evasion of Law

LINCOLN, NEB. — State Labor Commissioner Olsen has intervened in a case before the supreme court for a rehearing in an effort to stop a practice which he says permits large numbers of employers to evade their responsibilities and deprive workers of their rights under the workmen's compensation law. He points out that there is a trend in the construction industry, especially in connection with application of roofing and siding, to engage workers on a piece-work basis, which under the decision makes them independent contractors. The case is Felix O. Nollett vs. Holland Lumber Company.

CHANGES

Eaton Chicago Manager for Mass. Bonding

Massachusetts Bonding announces the appointment of William C. Eaton to head its Chicago branch office, succeeding J. Stewart Pearce, recently deceased. Mr. Eaton is one of the best posted casualty men in Chicago, having been with Zurich 21½ years. For the past five years he has been superintendent of casualty underwriting at the Zurich home office. He will probably assume his new position about Aug. 1, and will visit the home office of Massachusetts Bonding in Boston prior to that time.

Mr. Eaton was born in Virginia. Before going with Zurich he was associated for a time with his father, the late John M. Eaton, in the Eaton Insurance Service in Chicago. That agency handled a good deal of stockyard business.

Mr. Eaton has had a great deal of experience in handling large casualty lines and he has been called upon to handle numerous committee assignments. At present he is chairman of the committee of Chicagoans that is making recommendations for changes in the setup of the Chicago office of the National Bureau of Casualty & Surety Underwriters. He was at one time a member of the compensation and liability committee of the National Bureau and he is a member of the automobile assigned risk committee in Illinois and also a member of the compensation assigned risk committee for the stock company pool in that state.

Bowser Advanced by Zurich

Zurich has appointed Wm. E. Bowser superintendent of underwriting at the head office in Chicago to take the place of Wm. C. Eaton who has been appointed Chicago manager of Massachusetts Bonding.

Shortly after completing his university studies Mr. Bowser went to Chicago from his native Minnesota and spent about one year with Armour & Company. He joined Zurich in 1924, starting in the history department, and has spent his entire insurance career with that company. In directing the activities of the underwriting department at Chicago he will be assisted by Supervising Under-

writers John F. Idler, C. P. Cunningham and E. J. Halleman.

During his early years with the Zurich Mr. Bowser occupied various positions in the head office statistical and underwriting departments. He was transferred to the Detroit office in 1936 and shortly thereafter was appointed assistant branch manager. He returned to the Chicago office in 1937 and since that time has occupied the position of assistant superintendent of underwriting.

Bowersox Assistant Manager

William A. Bowersox has been appointed assistant manager in the Chicago office of Fidelity & Deposit. He

is a well trained F. & D. man having started at the home office in 1928. He was sent to Chicago in 1934 and traveled as special agent in Illinois and Indiana. Then about two years ago he was brought into the Chicago office as an underwriter.

Swisher Named Claims Head of Continental Cas.

W. C. Swisher, associated with Continental Casualty for more than 15 years in the claims department, the last two years as assistant general attorney in charge of personnel, has been made su-

perintendent of claims. He will take over the work of W. G. Caples, general attorney, who has enlisted in the army air corps.

Mr. Swisher was general claims attorney of the Kansas City Railways Company from 1916 to 1927. He joined Continental Casualty as an adjuster, becoming division supervisor a year later.

L. J. Locke, division supervisor the past year, and with the company since 1925, becomes assistant superintendent of claims. Viri Bennehoff, assistant manager of the New York claims department, also becomes an assistant claims superintendent in Chicago. Mr. Bennehoff was manager of the San Francisco



Reinsurance

Defense projects
whether it is *Yes* or *No*
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CASUALTY FIDELITY & SURETY REINSURANCE

THE

EXCESS

INSURANCE COMPANY OF AMERICA

NINETY-NINE JOHN STREET, NEW YORK CITY



W. E. Bowser

claims office before going to New York a year ago.

Hart Gilchrist, division superintendent in Chicago, goes to New York as assistant New York claim department manager.

George C. Bliss, trial attorney for the company in Chicago since 1921, has retired on a pension. D. M. Roche, with the company since 1934, and Dean A. Esling, with the company since 1937, have been promoted to trial attorneys in Chicago.

COMPANIES

Hawkeye Reinsures Illinois Casualty

DES MOINES—Illinois Casualty, which has been operated as a companion company to Hawkeye Casualty of this city for the last year and a half, has been reinsured and consolidated with Hawkeye, it was announced by Alex R. Nelson, president of Hawkeye.

The Springfield, Ill., home office of Illinois Casualty will be continued as the Illinois Casualty division of Hawkeye, which will take over all outstanding policies on a direct reinsurance basis and pay all claims.

Hawkeye has leased the home office space of Illinois Casualty for five years and the entire office and agency personnel will be retained and management of the Springfield office will continue as in the past.

Management Continues

R. H. Miller will continue as state agent, Lyle Phillips as underwriting manager, G. W. Horsley, claims manager, and V. Y. Dallman, Jr., assistant claims manager.

Louis F. Gillespie, general counsel and director of Illinois Casualty, has been made a director of Hawkeye and will continue to act as general counsel in Springfield.

Hawkeye Casualty was organized in 1919 and had great growth in recent years. Assets have more than doubled in the last 10 years, from \$634,003 in 1932 to \$1,319,772 last year.

Business written last year by Hawkeye amounted to \$1,070,446 as compared with \$335,460 in 1932 and policyholders surplus increased from \$346,206 in 1932 to \$450,000 in 1941.

Olmsted Now in Army

George Olmsted is vice-president of Hawkeye and K. L. Crittenden is secretary-treasurer. Mr. Olmsted is on leave of absence as a major in the army, stationed at Washington.

Illinois Casualty company was organized in 1924 and until recently was headed by J. L. Pickering as president. A large share of the stock was purchased by Mr. Olmsted a year and a half ago.

Virginia Surety Has Now Moved Its Office to Toledo

Approval has been given to the Virginia Surety of Roanoke, Va., by the Virginia department to move to Toledo, O., provided that it would increase its deposit with the Virginia treasurer to \$50,000 for the protection of policyholders in that state. This deposit has been made and the company has closed its offices at Roanoke. Jack E. Hankison is president, L. G. Hankison, vice-president; George J. Love, secretary-treasurer; Otto L. Hankinson, general counsel, and John D. O'Neil, general claim supervisor.

The executive office has been in Toledo from all practical standpoints for some time. The company writes long haul truck insurance.

"Why Disability Insurance is a Good Investment for You" cost only \$2 per 100. Order from The National Underwriter.

SURETY

Little Evidence That Bonds Are Being Waived

Despite the order of Lieut. General Somerville of May 28, instructing field officers in the engineer corps of the army that they have authority to waive the giving of contract bonds, the surety companies say that they have seen little evidence that such bonds are being waived. Some of the local surety offices have gotten in touch with field officers who have said that the bonds will be waived but there is little, if any, evidence so far that such action is being taken.

It is understood that the surety interests have made certain counter proposals to the government in an effort to have that order modified and observers believe that an announcement of a reduction in rates and commissions for contract bonds may be made any day now.

Discuss School District Bonds

LOS ANGELES—The Surety Underwriters Association of Southern California at its current meeting continued discussion of the proposed form of bond for the school districts of the state. The committee from the association which has been conferring with representatives of the School Business Managers Association reported progress has been made as to the basic form of the bond, but that nothing final has been formulated. The conferences are to continue.

Maryland Casualty Gets Big Bonds

LOS ANGELES—Arizona Sand & Rock Co., the United Concrete Pipe Co., and A. S. Vinnell, joint bidders on two U. S. Army contracts in Arizona have been awarded the contracts on their bids of \$2,700,000 and \$1,000,000. Maryland Casualty wrote the bid on both jobs and now is executing the payment and performance bonds.

Principal's Death Ends Cover

R. A. Stone, special assistant attorney-general of Minnesota has advised county officials that a surety bond does not cover anything occurring after the death of the principal. The point was raised in connection with a deputy taking over the work of a registrar of deeds who died.

More Burglary Business

Burglary underwriters report somewhat increased premium volume this year. The trend seems to be toward fewer residence policies because of taxes, purchase of war bonds, and so on, and an increase in mercantile coverage because many stores have larger stocks on hand. These stocks are becoming more valuable, and there are more thefts.

Store owners who haven't before purchased burglary because they felt they were sufficiently protected with watchmen, alarm systems, etc., are now doing so because they have stocks which must be warehoused outside of their home location.

Agents with dwindling automobile business are taking advantage of the situation to write more burglary cover.

California Approves New Form

The California department has approved the new war injury policy sponsored by the National Association of Accident & Health Underwriters to be sold for an annual premium of \$5.

Burke Los Angeles President

Frazer Burke, Pacific Indemnity, was elected president of the Casualty Insurance Adjusters Association of Los Angeles. Vice-president is Joseph Hook, Ohio Casualty, and secretary B. F. Sheppard, Hartford Accident.

Serving Chicagoland Exclusively



THE *Finest* NAME IN THE PLATE GLASS REPLACEMENT FIELD

The American Glass Company is the recognized leader in the Chicago plate glass field. Its famous 3 in 1 plate glass replacement service—SPEED—DEPENDABILITY—RELIABILITY—is acknowledged as the finest by insurance men and clients alike.

Through its fleet of fast, modern trucks, experienced workmen, and a home office dedicated to service, this great organization serves you and your clients, better.

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FAST . .
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DEATHS

Plate Glass Authority Is Taken by Death

Henry S. Slipner of Henry S. Slipner & Co., prominent agency of Chicago, died following three heart attacks at his summer home at Nipper-



HENRY S. SLIPNER

sink, Wis. He had his first attack a year ago when he was laid up for three months.

Mr. Slipner was outstanding in Chicago as a plate glass authority. He had been president of the Plate Glass Insurance Bureau when it was in existence several years ago at the time he was co-manager of Metropolitan Casualty there. His active interest was very largely in plate glass and he became noted in that field.

Former Company Manager

Mr. Slipner went to Chicago about 1915 from the home office of Metropolitan Casualty where he was cashier. With Edward Finnegan he opened the Chicago branch of Metropolitan Casualty, operating as Slipner & Finnegan, co-managers. In about 1927 he retired from insurance for a year, devoting himself to other business. Then he returned as assistant manager of Bankers Indemnity at Chicago under then Manager H. G. Magargal.

He opened his agency Aug. 14, 1933, as a partner with George A. Schramm, who had been associated with him for many years in Metropolitan Casualty and Bankers Indemnity. Slipner & Co. continues under the active direction of Mr. Schramm and retains its name.

Mr. Slipner, during his plate-glass days, was very active and successful in the effort to break up the rackets in the plate glass business in Chicago. Metropolitan Casualty and later Slipner & Co., wrote a large volume of plate glass under his direction.

Services were held Wednesday in Chicago, many insurance friends and associates attending and burial in Memorial Park Cemetery.

McConnell Oklahoma City Head

OKLAHOMA CITY—John McConnell, Employers Casualty, was elected president of the Oklahoma Claim Men's Association. William Caler, insurance attorney is first vice-president; George Washington, Employers Liability, secretary-treasurer.

New executive committeemen are W. C. Tippet, Aetna Casualty, and Pat Malone, Casualty Reciprocal Exchange.

Stanley Fairweather, 51, safety engineer in Milwaukee for Royal Indemnity, died after an illness of about two weeks. A native of Arbroath, Scotland, he came to America 12 years ago and had lived in Milwaukee eight years.

Seek to Relieve WDC of Inquiries

(CONTINUED FROM PAGE 1)

it is anticipated, will fall into certain definite categories, and through an exchange of views by the different committees, uniform replies to the great majority will be arrived at.

These committees will not supplant the advisory committee of eight, which will be composed of representatives of the stock, non-stock and reciprocal organizations, which are to be elected by directors of the War Damage Corporation and who will aid in the solution of

such problems as might be presented to the administration from time to time. The intent of the government agency is to make easy the purchase by property-owners of war damage coverage, and where experience has demonstrated that early requirements worked an apparent hardship, these were promptly corrected.

While applications for war damage indemnity continue to flood the offices of all fiduciary agents, and the demand for the protection from property owners

along the seaboard was fully expected, underwriters are surprised at the volume of business coming from inland.

Members of the Insurance Brokers Association of New York have been asked by President C. O. Pate to refrain from addressing communications to the War Damage Corporation, and to seek to discourage their clients from so doing, pointing out that the Corporation is "without a single paid employee" and it is a physical impossibility for Executive Vice-President F. A. Christensen and his aids to answer the many letters sent the organization daily.

Governor Lehman of New York stated a binder covering war damage



Central Surety has pioneered many coverages now found in standard policy contracts. It expects to continue working with agents and the insuring public toward providing an increasingly efficient and adaptable insurance service.

CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

SAN FRANCISCO

CHICAGO

NEW YORK

insurance upon New York state property had been taken out until Aug. 1, by which time a schedule of the risks to be covered will have been completed and policies secured.

Amendments Are Printed

The WDC got out a publication entitled "Amendment to Regulations A," which contains in printed form some of the changes that had already been publicized and also sent a mimeographed memorandum to fiduciary agents giving a number of interpretations.

In the mimeographed memorandum reference is made to Rule 2 of Regulations A wherein it is stated that only one policy shall be permitted to the insured on any one property (or a group of properties, if written blanket), and only one policy shall be permitted to the insured for each of the six types of coverage thereafter enumerated. With respect to the first type of property, viz., "property at fixed locations" it is intended that a single policy be mandatory only where the property or group of properties is at the same fixed location. In all other cases it shall be discretionary with the applicant as to whether one or more policies shall be issued. Accordingly, properties at different fixed locations may either be: (a) covered by a separate policy for each location; or (b) covered blanket by one policy; or (c) covered blanket as a single item under one policy; or (d) covered blanket under one policy as separate items or separate construction classification. However, a group of properties at one fixed location shall be covered by only one policy either as one item blanket or as separate items blanket according to construction classification, or as individual items.

Privately Owned Furs

Reference is made to Rule 24 regarding coverage for privately owned furs, jewelry, art objects and the like wherein the limit of coverage is stated to be a total of \$10,000 for any one interest with respect to any and all of the types of property therein listed.

Where an appropriate endorsement is attached to the policy for such coverage, the amount of the coverage (not exceeding the foregoing limit), shall be applicable to all of the property described, at any and all of the locations specified, irrespective of actual aggregate value.

Notwithstanding the provisions of paragraph (c) appearing on the back of application form No. 2, the privately owned residential contents of apartments, hotels or other residential quarters together with private passenger motor vehicles may be set forth on the front of that application without the use of the schedule, form No. 11.

Reference is made to Rule 27, setting forth the form of endorsement for excluded property, the form containing an appropriate space for the insertion of the description of the property to be so covered. As indicated in Rules 23, 24 and 25 any excluded property to be so covered by such form of endorsement is subject to the respective limit

of coverage set forth in each of those rules. In order to guard against any implication that the property described in the form of endorsement is insured to the full extent of any unlimited coverage which may be applicable to other unexcluded property described in the same application, fiduciary agents are instructed to insert in the endorsement, following the inserted description of the property, the legend, "For \$.....," the dollar amount in any such case to be the amount of coverage (but not in excess of the applicable limit of coverage) set forth in the application or schedule for the property described in the form of endorsement.

Trailers used as dwellings shall be eligible for classification under occupancy code 01.

The eligibility of buildings for classification under the various occupancy codes shall be determined by the type of actual occupancy or use (e.g. whether used for hospital, mercantile, manufacturing, etc.) and not by the character of ownership.

Predominant Occupancy Governs

The predominant occupancy of a building shall determine the proper occupancy code number for the building itself and for each type of insured property located therein. Trailers not used as dwellings shall be eligible for classification under occupancy code 10 and the same shall also include all motor vehicles not included as the "contents of a building covered by the policy." Commercial aircraft shall be eligible for the same coverage and shall take the same classification as "motor vehicles" under occupancy code 10 when not included as the "contents" of a building. Airplane hangars and their contents, runways and all other buildings, structures, machinery and equipment appurtenant to an airport shall be eligible for coverage under occupancy code 05 as "structures not otherwise specifically provided for."

The rates for pleasure aircraft or pleasure watercraft under occupancy code 16 were erroneously printed to reflect coinsurance credit. The proper rate should be 25 cents under the column "no coinsurance" and the remaining figure should be deleted and the words "coinsurance does not apply" substituted therefor.

The printed amendments include the one governing policies issued to mortgagees or other holders of securities or financial interest in property eligible for coverage; the one providing that standing timber may be specifically covered provided the application sets forth separately the description, location and amount of coverage of the standing timber. No limit of coverage shall be applicable. The rate is 15 cents with 100 percent coinsurance mandatory. Then there is the amendment providing that growing crops and orchards may be specifically covered for an amount exceeding \$100,000. The rate for the first \$100,000 of coverage shall be 5 cents; for the second \$100,000, 7½ cents; 10 cents for the third; 12½ cents for the fourth and 15 cents for all coverage in excess of

Made-to-order coverage for Conventions, Expositions and other mass events

Very often, the risks and hazards associated with large gatherings, civic events, etc. cannot be covered by standard contracts.

One of the many "out-of-the-ordinary" forms in which this organization specializes is a made-to-order contract covering the Bodily Injury and Property Damage risks always present in

this type of event.

If you are confronted by this problem we can, in all probability, tailor a contract to fit your clients' needs exactly, which will be underwritten by prominent underwriters.

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Direct contracts available for conservative and successful agents in Illinois, Indiana, Missouri, Ohio, Nebraska, Colorado, Oklahoma, Kansas, Tennessee and Texas

AMERICAN RE-INSURANCE CO.

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DECEMBER 31st, 1941

CAPITAL	\$2,000,000.00
Surplus	4,935,033.50
Voluntary Contingency Reserve	500,000.00
Reserve for Losses	4,824,318.79
All Other Liabilities	3,891,161.37
TOTAL ADMITTED ASSETS	16,150,513.66

NOTE: Securities carried at \$354,812.50 in the above statement are deposited as required by law.

CASUALTY • FIDELITY • SURETY
Re-Insurance

\$400,000 with no coinsurance requirements or credits being applicable.

All of the WDC forms have made their appearance now in most places. The latest ones to be received were forms 8, 9 and 10. Form 8 is the one used for reducing the amount of insurance, form 9 for increasing the amount and form 10 is the one for changing the loss payee or insured.

The form for reduction in insurance contains certain entries for the fiduciary including date premium returned, effective date of reduction and the number of the policy to which the reduction in insurance is attached. The application must contain the name of applicant, mail address, location of property, occupancy code, construction code, amount of reduction in dollars, term in days to expiration, annual rate and return premium, the latter to be computed by the fiduciary agent. There is an entry for description of the property, loss payable information and applicant's interest in the property so affected must be indicated.

The form for change of loss payee or insured contains space for entry of date the amendment is effective and the policy number to which the amendment is attached. There must be entered the name of the present insured, name of new insured and address, name of present loss payee, new loss payee, address of new loss payee, interest of new insured in described property and there must be given the authorized signatures of the present interest.

MEETING IN CHICAGO

In Chicago, E. A. Henne, vice-president and western manager of America Fore, called a meeting of western department executives and requested that they refrain from submitting inquiries to Washington. He said it is the policy of the government to have all letters answered and the WDC letters have made observance of that policy a most difficult task. An unofficial committee on interpretation has been set up in the west consisting of Mr. Henne, H. A. Clark, Fireman's, president W. I. B.; Mark Campbell, Automobile; W. N. Achenbach, Aetna, president W. U. A.; W. H. Potter, Jr., Phoenix of Hartford; R. D. Sullivan, Marine Office; W. S. Ellis, Royal-Liverpool, and K. H. Parker, Western Actuarial Bureau, secretary. Inquiries should be directed to Mr. Parker.

In the middlewest fiduciary agents report that the heaviest sales of war policies have been in Michigan. There has been less of a demand from Ohio than was anticipated.

WAYNE COUNTY COVERAGE

DETROIT—Acting for the public business committee of the Detroit Association of Insurance Agents, J. Alfred Grow, Sr., in cooperation with Elmer Salzman, secretary of the association, placed 8½ million dollars of war risk insurance on Wayne county properties. The business will be placed by the association. Ray Hafeli and James E. Friel, county auditors, authorized the coverage.

COAST COMMITTEE NAMED

SAN FRANCISCO—Companies acting as fiduciary agents under the War Damage Corporation have organized a war damage interpretation committee with A. V. Holman, assistant secretary America Fore, as chairman. Other members are: W. G. Rich, Royal-Liverpool; Ray Ellis, Fireman's Fund; and F. E. Chadwick, Fireman's.

Meanwhile, H. Clyde Edmundson, vice-president America Fore, president of the Pacific Board, issued a bulletin to all companies asking that they refrain from wiring any more inquiries direct to the War Damage Corporation at Washington.

Mr. Edmundson pointed out that in a telephone conversation with Executive Vice-President Frank A. Christensen of the War Damage Corporation, he requested signatory companies be informed that "it is imperative in the interests of uniformity, and as an indication that full cooperation of fiduciary agents and producers is given the man-

agement of the War Damage Corporation, that all requests for interpretations of rules and regulations be cleared through Harry F. Badger, secretary of the Pacific Board. The bulletin also requests agents and brokers to get in touch with the companies and not the War Damage Corporation direct.

GREAT SCRAMBLE IN LOS ANGELES

LOS ANGELES—The scramble to meet the demand for WDC insurance has swamped Los Angeles offices.

Many of the company branches here qualified as fiduciary agents. In most of these offices it has been necessary to set

up a separate department to handle the applications. Fireman's Fund probably is the company that has gone furthest in this respect. It has placed Emmet O'Brien, its claim manager, in charge, has swept the claims department clear of its usual occupants and has given the whole space over to the WDC work. None of the offices has been able to keep up with the flood of applications pouring in.

Some banks and mortgage holders notified borrowers, prior to July, that they would require the mortgagor to secure this coverage not later than July 2 or the holder of the security would place it and charge it to the borrower. This

resulted in frantic rushes by borrowers on their insurance agents and brokers to have the coverage placed.

One fiduciary agent on the first day the insurance went into force issued more than 5,000 policies. It was enabled to do this because it had gotten the policies in Washington and flown them to the Pacific Coast.

HEAVY WASH. PURCHASES

SEATTLE—Public bodies in Washington, including the state itself, have purchased war risk insurance running into many millions of dollars. The state purchased \$46,057,000 on the state capitol buildings, several of the larger and

HIGHWAY HEROES



BECAUSE of the countless reports of their friendly, helpful acts, truck operators have truly earned the right to be called "Highway Heroes." These doers of good deeds—outside the line of duty—can also boast the highest safety record on the highways! To Markel Service, insurer of leading truck and

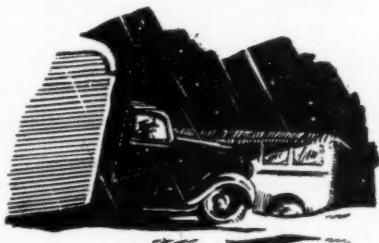
bus companies, goes much of the credit for the splendid record maintained. Markel's efficient educational plan teaches safety rules of inestimable value—makes drivers First Aid experts. These and other specialized services will bear investigation by agents and brokers handling this type of business.



SAVED FROM DROWNING: A truck driver swam 24 feet to reach 3 children whose canoe had overturned. Nearly losing his own life when his foot sank in the sticky mud bottom, the driver towed one of the children to safety, and although nauseated and weak, returned to save the others. Able to rescue one of the other children, he was awarded a Carnegie medal for his heroism.



SAVED FROM FIRE: A truck driver's keen and quick judgment saved a service station from complete destruction by fire, and probably saved the life of its attendant. Rushing to the fire with his extinguisher he prevented its spreading to near-by oil drums and other inflammable materials, controlling what might have been a very costly fire.



SAVED FROM FREEZING: Two drivers in near-zero temperature stopped to aid a bus stalled for hours in deep snow. The bus, with its motor dead, contained several passengers, mostly women, in serious danger of freezing. Wrapping them in furniture pads, the drivers, with great difficulty, turned the large van on the snow-covered road and towed the bus safely to the nearest town.

MARKEL SERVICE

INC.
RICHMOND, VIRGINIA

NEW YORK
DALLAS

BRANCH OFFICES
LOS ANGELES
SAN FRANCISCO

CHICAGO
BOSTON

more strategic bridges, as well as some of the state institutions.

The city of Seattle insured values totaling \$29,116,710. The school board purchased 16 million dollars insurance on all of the city's school. The Port of Seattle Commission, with several million dollars in values, also arranged for coverage. The latter three lines were placed through the King County Insurance Association.

Demand for the insurance was exceptionally heavy in western Washington. Few political subdivisions failed to buy the protection. Public officials generally were of the opinion that as custodians of public property they had no alternative but to purchase the coverage, especially in view of the government's action in making the protection available at such low rates and without regard to geographical difference in location.

ESSEX COUNTY ACTIVITY

NEWARK—The Essex County Insurance Fund Commission took out last week \$18,186,000 of war damage insurance to cover all county buildings, contents and automobile equipment, and an additional \$1,125,000 was placed on bridges, which cross the Passaic river.

War damage insurance is being written very heavily in and around Essex County, which takes in Newark.

Some of the agencies worked a half-day July 4 to clean up the work which was far behind schedule.

MEETING IN SAN ANTONIO

SAN ANTONIO—The San Antonio Insurance Exchange heard a discussion of the problems of insurance connected with war damage. In opening his remarks about war damage insurance, Secretary F. F. Ludolph warned the agents that there may be no profit for the agent in writing this type of insurance other than that of satisfying their clients who depend upon them for insurance service. He stressed the thought that it is the responsibility of the agents to advise their clientele that this class of insurance is available. He stated that the loan companies and the FHA agents desire war damage insurance to protect their interests.

Concerning the matter of fire-resistive buildings, Mr. Ludolph voiced the opinion that the Texas classification of semi-fireproof and fire-proof buildings will meet the conditions for fire-resistive buildings for bombardment insurance.

Mr. Ludolph announced that the San Antonio exchange, through the board placement committee, had arranged bombardment insurance for \$6,300,000 on all the properties of the San Antonio Housing Authority.

POLICY OF THE NAVY

WASHINGTON—War damage insurance will not be required on government-owned property wherever such property is satisfactorily identifiable and segregated from property of others. S. M. Robinson, chief procurement and material of the Navy Department has announced.

Under certain underwriters, however, it may be desirable to purchase war

damage coverage. Contractors expecting reimbursement for the cost must secure the approval of the insurance division office of procurement and material before placing such coverage.

Typical examples of government-owned property on which war damage insurance will not be required are: complete plants, including machinery and equipment (contractor operated), wholly owned by the government; merchandise (raw materials, work in process and completed products) owned by the government, which is separately identifiable and in no way a part of the contractor's other such property; machinery and equipment in contractor's plant belonging to the government, even though used by the contractor; additions to contractor owned property (buildings, machinery and equipment), if government-owned buildings, machinery and equipment form an integral part of the contractor's other buildings and are immediately attached thereto, war damage insurance may be permitted.

Wherever buildings, machinery and equipment are segregated from contractor's buildings, even though on the premises, war damage insurance is not necessary.

Shipbuilding facilities—the foregoing principles will apply to government-owned shipbuilding facilities.

Ships under construction—when the property of the government, will not be insured for war damage.

Emergency plant facilities, financed under the 60 month reimbursement contract. Since under such contracts, it is difficult to separate the insurable interests of the government and of the legal owner, full war damage insurance may be procured.

Where the ownership of merchandise (raw materials, work in process including ships under construction and completed products) is not clearly that of the government or of the contractor, the following principles apply:

If such merchandise is identifiable as allocated to a navy contract and approval of purchase of war damage coverage is denied, it will be the policy of the Navy Department to relieve the contractor of the responsibility for the war damage risk as respects such merchandise.

If such merchandise is not identifiable as allocated to a navy contract, the principle of pro rata responsibility, the Navy Department assuming the risk for its proportionate share of such merchandise, will be acceptable to the Navy Department.

QUESTION IN CALIFORNIA

The main question in connection with War Damage Corporation insurance which has been submitted to the California attorney general by Commissioner Caminetti is whether WDC should be regarded as a non-admitted insurer and hence whether all of its business must be handled through surplus line brokers. The attorney general is asked also to say whether the War Damage Corporation is a federal agency beyond

control of the state insurance code. In case the attorney general finds that WDC is a non-admitted insurer he is asked to say whether the business must be written entirely through surplus line brokers. The attorney general is also asked whether agents holding licenses to sell disability insurance and other restricted licenses including life, can write the insurance and also whether the insurance department can police the business in any manner.

TIMBER COVER POPULAR

PORTLAND, ORE.—Of prime interest to northwest insurance and lumbering interests alike is the announcement that the WDC rules had been expanded to include standing timber insurance. A. A. Comrie, vice president of Charles W. Sexton Company at Portland, received a telegram from Senator McNary advising him that the corporation was announcing plans to include insurance on the timber, culminating a request from Mr. Comrie to the senator several weeks earlier. Some concern is felt over the possible difficulty of proving war origin of fires which may originate in tracts of timber in remote regions, and it is understood that efforts to overcome this objection by amendment to the prescribed form are being made.

TRAVELERS INSURES

HARTFORD—Hartford's most conspicuous structure and the tallest office building (527 feet high) in New England is now insured against loss to its owner in case of enemy attack on Connecticut's leading industrial city. The Travelers purchased war damage insurance totaling \$11,015,000 on its well known tower and other home office buildings in Hartford, together with contents. Also included are properties of the Travelers Broadcasting Service Corporation on Avon Mountain.

The insurance, requiring an annual premium of approximately \$11,000, was paid for by check handed by Travelers President Zacher to J. Watson Beach, whose agency represents the Travelers Fire.

ARGUMENTS IN KENTUCKY

FRANKFORT, KY.—Whether private insurance companies may issue policies to cover war risks was taken under consideration by Insurance Director Goodpaster, after hearing arguments. Recently the director ruled that such insurance should be left entirely to the War Damage Corporation. The director said there is insufficient data on which to fix rates and that there should be no interference with the government's efforts to handle such risks.

Charles Tachau, Louisville, representing Louisville Fire & Marine Insurance and Rhode Island contended that private companies should be permitted to issue such policies.

Arguments in behalf of Goodpaster's stand were presented by a number of other insurance men. Among them

were James Hackworth, Shelbyville, president of the Kentucky Association of Insurance Agents; A. G. Harrison, president of the Louisville Board, and W. E. Kingsley, president of the Kentucky Fire Underwriter's Association.

WARNING IN INDIANA

INDIANAPOLIS—The Indiana department will tolerate "no spirit of competition" with the War Damage corporation in writing war risk insurance, Commission Viehmann has warned. The commissioner said the department will disapprove promptly any attempts by private concerns to write insurance at rates less than those offered under the WDC plan.

Elizabeth Davis, daughter of E. H. Davis, Iowa state agent for Home, was married to B. K. Olmsted who is a chemical engineer with Dupont. The couple are now located at Arlington, New Jersey.

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A STRONG, PROGRESSIVE STOCK COMPANY OPERATING IN ILLINOIS, INDIANA, IOWA, MICHIGAN AND OHIO THROUGH LICENSED AGENTS ONLY.

A MILLION DOLLAR (\$1,000,000) COMPANY OVER 93 YEARS OLD.

WE INVITE YOU TO INVESTIGATE WHAT WE HAVE TO OFFER YOU AS AN AGENT.

UNION INSURANCE COMPANY
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INDIANAPOLIS, INDIANA

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Youngstown Agents' Survey of County Cover Accepted

YOUNGSTOWN, O.—County commissioners have accepted the recommendations of a committee of Youngstown Association of Insurance Agents, which has just completed a comprehensive survey of Mahoning county insurance needs. Revision will increase the coverage from \$1,139,275 to \$1,217,811, and will involve an additional cost of approximately \$1,200 over a three-year period. Windstorm insurance will be discontinued but windstorm coverage will be obtained under "extended coverage" added to existing policies.

Of the total insurance, \$413,111 is on buildings covered under a blanket contract. There will be 80 percent co-insurance on some properties, 50 percent co-insurance on others, and no co-insurance on some. The committee recommended that the additional coverage which will be provided be distributed to those agents who will suffer a loss through the cancellation of windstorm insurance now bought through their agencies. Commissioners will also adopt the suggestion that coverage up to \$1,000 be provided for city fire department service to county properties in the outlying districts.

Abandon Wis. Short Course; Annual Meeting in Doubt

MILWAUKEE—Plans for the short course in fire and casualty insurance to have been held this month at the University of Wisconsin have been abandoned. Facilities at the university this summer are being used in large part for military purposes, and it was felt impractical to proceed with the short course, according to Grover Miller, Racine chairman of the committee of the association. A recent poll of the membership showed considerable interest among agents and their employees in educational work, and it is planned to develop an educational program of some kind to substitute for the abandoned short course of the Wisconsin Association of Insurance Agents.

The state executive committee will hold its quarterly meeting in Milwaukee July 10 at which time the educational program will be taken up. Some action may also be taken in regard to the annual meeting of the Wisconsin association, tentatively scheduled for Milwaukee Sept. 17-18, in view of the requested restriction of civilian travel.

General Agents May Organize

ST. PAUL—Formation of a Twin Cities chapter of the American Association of Insurance General Agents may develop from the recent visit of George E. Edmondson of Tampa, national president. He met with a group of about 15 general agents located in St. Paul and Minneapolis and explained the purposes of the national association. Only two or three Twin Cities general agents at present are affiliated with the national.

Minnesota Regionals to Meet

The newly formed Lake Agents Regional Association of Minnesota will meet July 16 at Itasca State Park to hear a lecture on "Service in Loss Adjustments," by Roy B. Nienhauser, vice-president of the R. M. Neely Co., St. Paul general agents. He gave this talk last week before the Minneapolis Underwriters Association. John I. Anderson of Buhl, president of the association, will preside.

C. R. Bock, regional manager Royal Liverpool group, rearranged a business

trip through Wisconsin in order to take the place of the late Louis L. Law at the July 9 meeting of the Range Agents Regional Association at Virginia. Mr. Law died unexpectedly. Mr. Bock will discuss the mechanics of company operation.

Milwaukee Outing Draws 200

MILWAUKEE—About 200 members of the Milwaukee Board of Fire Underwriters and guests, including members of the Milwaukee County Board of Casualty & Surety Underwriters, solicitors and field men, attended the annual outing. Golf prizes were awarded at the dinner. Edgar Schmidt was chairman of arrangements. August Lutz, Sheboygan, president Wisconsin Association of Insurance Agents, was a guest.

Edgar Schmidt won the Walter Schroeder golf trophy for the second consecutive time with a low gross of 86. The prize in the same classification for guests was won by Dene Zahn, Jr., Oshkosh, Wis., special agent American of N. J., with a score of 75.

Discuss War Cover in Wichita

E. Y. Dukes, Wichita, secretary Central States Fire, led a discussion on war risk insurance at a meeting of the Wichita Association of Insurance Agents. W. W. Gray, manager New Amsterdam Casualty, Denver; Don W. Sigler, assistant editor, and Henry A. Bodendieck, associate publisher "Insurance Magazine;" L. T. Stubbs, superintendent of agencies Central States, were guests. President Dwight Smith announced a stag picnic will be held July 24 at Sunnydale Springs, 15 miles north of Wichita. A. E. Smoll and Secretary Eli Bounous are in charge of arrangements.

Crook Operates as Agent

DES MOINES—Authorities in Iowa are seeking Earl Hines, who has been operating in Iowa representing himself as an agent for insurance companies.

Hines was recently released from jail at West Union, Ia., after serving a sentence on a charge of obtaining money under false pretenses in connection with the sale of a health and accident policy.

Latest complaint against Hines came from the county attorney in Crawford county who reported to the state insurance department he had represented himself here as an agent for the Sentinel of Des Moines. Officials of Sentinel stated he had never been connected with their firm. The state insurance department also pointed out he is not licensed as an agent in Iowa. Hines is also known to have operated in Minnesota and Wisconsin.

Start Fire Prevention Week Plans

The fire prevention committee of the Wichita Chamber of Commerce headed by John Engstrom, Jr., Harris, Burns & Co., local agency, are busy with plans for Fire Prevention Week. Harry K. Rogers, Western Actuarial Bureau, has been secured as master of ceremonies for a huge outdoor "fire show" scheduled for Oct. 7.

Barn Fire Warning

LANSING, MICH.—Due to exceptionally wet conditions in Michigan throughout June and the early part of June, an epidemic of barn fires starting from wet hay is feared in the state. Floyd Linebaugh, Michigan State College agricultural engineer, issued a warning to farmers regarding the condition and informed them how to check mow temperatures and at what point to

call for assistance. He also gave advice on storage of moist hay, explaining that even light dew or a shower on cured hay was more dangerous than storing slightly green hay.

Lining Up Minnesota Program

MINNEAPOLIS—The program for the annual meeting of the Minnesota Association of Insurance Agents at Virginia Aug. 13-15 is about complete, with four speakers lined up. Ralph W. Johnson of Virginia, convention chairman, was expected to confer this week with officers of the association here.

Convention sessions will be held in the municipal recreation building. As Virginia is 200 miles from the Twin Cities and 300 miles from the extreme southern part of the state, most of the members from this section plan to make the trip by train to Duluth and from there by bus.

Seek Two-Mill Levy for Defense

PONTIAC, MICH.—There is a strong effort to obtain approval at a special election July 9 of a special two-mill tax to finance civilian defense needs, including purchase of special fire-fighting equipment. Several war plant executives favor the proposal, citing the need for augmented fire protection at this time of intensive armament production. Many plants are working with unfamiliar materials, resulting in augmented fire hazards.

Sukow Is Dodge County Speaker

JUNEAU, WIS.—W. W. Sukow, Milwaukee manager of Travelers Fire and Charter Oak, spoke at the monthly meeting here of the Dodge County Insurance Agents Association on "War Damage Insurance" and conducted a question and answer forum on the subject. He was introduced by Hugh Bird, Beaver Dam, president.

Hilgemann Speaks on War Damage

L. C. Hilgemann of Leedom, O'Connor & Noyes, Milwaukee, member of the executive committee of the National Association of Insurance Agents and chairman of the Milwaukee Board committee on war damage insurance, spoke on the new government war risk coverage at a luncheon meeting of Tripoli Shrine Booster Club in Milwaukee.

Manion Admitted to Firm

James S. Manion, amateur golfer of national reputation has been made a full partner in the Ploeser, Watts & Co. agency at St. Louis. Formerly, for 22 years, he was associated with the Lawton-Byrne-Bruner agency there.

Cleveland Blood Donor Campaign

CLEVELAND—In accordance with a resolution passed at the June meeting, the Insurance Board of Cleveland is conducting its own campaign for blood donors for the Red Cross. Bulletins have been sent out to member agencies asking for a list of volunteers from each office.

Report on Ohio Licenses

Insurance Superintendent Lloyd of Ohio reports that in June the department examined 229 applicants for agents' and solicitors' licenses and that 69 failed. In June 397 licenses were cancelled. All of the cancellations were voluntary except 13. In June 525 licenses were granted.

Patton Gives Advice to Agents

Wade Patton, secretary Kansas Association of Insurance Agents, dealt largely with war damage insurance in his July 1 bulletin. "It is the responsibility of each individual insurance man to tell everybody he knows that

this insurance is available," Mr. Patton warned. He also called attention to the new Kansas dwelling and household furniture forms. Samples of war risk forms 2 and 11 were enclosed and agents advised to order other forms from the Kansas Inspection Bureau.

Can Insure in Mutuals

SPRINGFIELD, ILL. — Attorney-general Barrett of Illinois has ruled that the board of trustees for the University of Illinois may insure the university's properties in mutual insurance companies provided they can obtain non-assessable policies of insurance.

Nebraska Losses Cut in Half

LINCOLN, NEB. — Nebraska fire losses, as reported to the state fire marshal, for May were the lowest in years, totaling \$40,293, compared with \$86,502 in April and of \$82,661 a year ago.

NEWS BRIEFS

Walter H. Bissell, Jr., has acquired the Robert Helling agency at Wausau, Wis., and he will operate under the title of the Bissell agency. Associated with him are Richard Helling, Frank Getzman, Mrs. Louise M. Chartier and Irene Eschenberg.

Edward A. Dosek, who operates the Dosek Bonding & Insurance Agency of Lincoln, has filed as a Democratic candidate for lieutenant governor of Nebraska. He was a former banker and accountant in the state treasurer's office.

Carl F. Duerr, Canton, O., local agent, has been elected chairman of the Canton Red Cross chapter.

Edwin W. Reynolds of the Herberich-Hall-Harter Agency at Akron, O., has retired, and will make his home at Tryon, N. C.

Fred Reed, Jr., formerly with Hartford Fire's farm and hail office in Wichita who is now associated with one of the Wichita defense factories was married to Miss June Challis of Russell Springs, Kan., at Pineville, Mo. Mr. Reed is the son of the late Fred Reed, for many years with the Wheeler, Kelly & Hagny Agency in Wichita and previously with Hartford Fire.

Carl Sachs of the western department of National of Hartford, Chicago, has been in Kansas on business for 10 days.

R. M. Cauthorn, Wichita local agent, was elected first vice-president of the Wichita Lions Club.

EAST

Griswold Is Reelected

BELLOWS FALLS, Vt.—The Windham County Association of Underwriters has reelected Stanley G. Griswold of Bellows Falls, Vt., as president, and Robert E. Burnham, Jr., Brattleboro, as secretary-treasurer. William J. Hutchins, state agent America Fore group, discussed war damage coverage.

No Pennsylvania Convention

The Pennsylvania Association of Insurance Agents which had scheduled its convention to be held in Harrisburg Sept. 15-16 has called it off on account of war conditions. However, it will be necessary to have an annual business meeting to be held in compliance with the constitution and bylaws. The general convention, however, will not be held.

Alexander M. Taylor & Son, Vineyard, N. J., is observing its 50th anniversary. Mr. Taylor, although in his 77th year, is still active with his brother,

William C. Taylor, and his son, Stuart D. Taylor.

New Jersey Over 900 Mark

NEWARK—Membership of the New Jersey Association of Insurance Agents is now 904, and it is hoped that it will have reached the 1,000 mark by the annual meeting which will be held in Trenton, N. J., on Sept. 17.

NEWS BRIEFS

Lester S. Harvey, vice-president New Hampshire Fire, has been elected chairman of the finance division of the combined community chest at Manchester, N. H.

Secretary A. Clifford Hudson, New Hampshire Board of Underwriters, addressed the annual Institute of Public Affairs at the University of New Hampshire on chemical defense.

Forness & Morgan, Beverly, Mass., has purchased the Issachar Lefavour & Son agency and will combine the two offices.

George F. Mahoney announces the agencies of George F. Mahoney and Charles R. Burrill Co. in Ellsworth, Me. have been combined under the name of Mahoney-Burrill Agency and will be located at 121 Main street.

Insurance Women of New Jersey has reelected Kay Dougherty president, with Claire E. McCurry, as first vice-president, Reba N. Obus, second vice-president, Dorothy Schlichting, secretary, Anne C. Dirion, treasurer, and Elizabeth Clark, financial director.

Due to the gasoline rationing and rubber situation the educational committee of the New Jersey association headed by H. Donald Holmes, is polling members on the desirability of continuing the production forums conducted by the association and the University of Newark.

SOUTH

Readjustment Made on Jacksonville Machinery

The city commission of Jacksonville, Fla., on the recommendation of Utility Commissioner Pierce voted to cancel the present policy which covers about \$800,000 worth of machinery and has cost in premium payments about \$70,000 during the past three years. The commission will secure a new policy with revised terms which will cost about \$24,000 for the next three years. Commissioner Pierce stated that the lesser premium results from rate changes that are slightly lower than former rates on some machines and the complete elimination from the policies of the majority of small objects and large power transformers and the transformers of substations. Instead of insurance protection on this equipment the utilities department will substitute an efficient inspection service.

Bush Elected in Augusta

AUGUSTA, GA.—W. W. Bush was elected president of the Augusta Board of Fire & Casualty Insurance Agents at its annual meeting. Other officers are:

James A. Berry, vice-president; Miss Georgia Mangrem, secretary-treasurer; Scott Nixon, James C. Walker and Ernest B. Sherman, executive committee.

Miss. School Plans Perfected

Plans are being perfected for the annual school of the Mississippi Association of Insurance Agents at the Hotel Heidelberg, Jackson, July 22-24. Acting Dean H. B. Brown, Jr., of the business school of the University of Mississippi will be director. He will preside at the class meetings, introduce the faculty members and supervise the examinations. Warner Wells of Greenwood is chairman of the education committee. A great many subjects will be covered, including a complete discussion of the War Damage Corporation setup.

Now Bernard & Nungesser

Norton, Bernard & Nungesser, New Orleans, has changed its name to Bernard & Nungesser. There is no change in ownership, the partners being Geo. W. Bernard, Chris Nungesser and J. Chris Nungesser. Mr. Bernard, a nephew of the late Thos. B. Norton, has been identified with the agency nearly 25 years, Chris Nungesser, who started his insurance career with the Mechanics & Traders, will soon round out 55 years of insurance service, while his son, J. Chris, has been with the agency about 15 years.

S. C. Situation Unsettled

The question of who will be appointed insurance commissioner of South Carolina to fill the temporary vacancy to be created when L. George Benjamin, Jr., enters army service has not been settled. As a matter of fact there seems to be some doubt as to how the appointment will be made, since the act in this connection is not clear and the attorney-general has made no ruling.

Morgan With Dyke & Co.

LITTLE ROCK, ARK.—William S. Morgan, Jr., has resigned from Smith-Reid-East Co., to become special agent of Dyke & Co.

Coleman Observes 30th

F. M. Coleman observed his 30th anniversary as head of Coleman & Co., San Antonio, Tex. Associated with Mr. Coleman are a number of veterans of 20 to 25 years and more. A banquet was held.

Taking Bids on Bus Liability

FAYETTEVILLE, TENN.—Thomas N. Towry, county superintendent, is taking bids to close on July 17 for liability insurance on school busses of Lincoln county for the 1942-43 school year.

Tennessee Tax Collections Up

NASHVILLE — Collections by the Tennessee insurance department, ac-

cording to Commissioner McCormack, for the fiscal year ending June 30 totalled \$2,315,842, an increase of \$330,530.

NEWS BRIEFS

Scott Nixon, manager insurance department Southern Finance Corporation Agency, has been elected district secretary of the Kiwanis Clubs of Georgia.

E. H. Crump, Memphis agent, turned over in a motor boat in a storm on Horseshoe Lake near Memphis. He and his companion managed to reach shore safely.

Mrs. Ernest Lovell, secretary of E. D. Looney & Co., Columbia, Tenn., chased a hold-up man who attempted to rob the agency during the lunch hour, not only recovering her purse and preventing the taking of other valuables but causing the arrest of the hold-up man as well.

H. R. Archer, Knoxville, Tenn., local agent, was elected a director of the Tennessee Exchange Clubs at the recent annual meeting in Memphis.

A. L. Frazier has purchased the Les Carson Agency in Lebanon, Tenn.

COAST

Utah Agents Urge Meeting Deferment Be Reconsidered

SALT LAKE CITY—Members of the Utah Association of Insurance Agents are disappointed because of cancellation for an indefinite period, on account of the war, of a meeting between officials of the Pacific Board and the so-called Utah Committee, the association's contact committee.

Resolutions have been passed by the executive committee of the state organization and local associations of Salt Lake, Ogden and Provo, urging the board officials to reconsider the postponement, as there are a number of matters needing attention, and members were looking forward to a detailed report from the Utah Committee at the annual convention scheduled for Aug. 24-25, at the Ben Lomond Hotel, Ogden. Members of the contact committee named by the 1941 convention are C. C. Gaskill, Ogden; E. D. Amott, Salt Lake, and D. A. Brown, Provo.

McKinley and Collins Speak

TACOMA, WASH.—D. A. McKinley, Royal-Liverpool groups, assisted by E. E. Collins, London & Lancashire, discussed war risk insurance and answered questions before the Pierce County Insurance Agents Association.

Civilian Defense Class Graduates

SAN FRANCISCO—Sixty-one graduated from the classes on civilian defense which have been conducted by Insurance Post 404 of the American Legion,

according to C. C. Washburn, commander. Classes were conducted by Steven Ridgely and Phil Crosby, both of whom studied the problems of civilian defense at the war department's school at Stanford. They were assisted by Frank Barrett, Roland Kurtz and Hugh Higginbotham.

Rules Out Bank Agencies

SALT LAKE CITY—The Utah attorney-general has ruled that commercial and savings banks are without authority under Utah law to engage in a general insurance agency or brokerage business. "If banks were allowed to engage in an insurance agency or brokerage," reads the opinion, "there would be a serious possibility of involvement, and possible risk to the funds held by the bank belonging to the depositors." The opinion was given at the request of the state bank examiner.

Surplus Line Group Reelects

SEATTLE—The Surplus Line Association of Washington held its annual meeting and all officers were reelected. R. E. Voigt, Swett & Crawford, is chairman; E. R. Bowden, Bowden, Gazzam & Arnold, secretary-treasurer; and Irwin Mesher, arbitrator.

Reports were submitted by Mr. Bowden and Mr. Mesher.

Wilcox Agency Takes on Halifax

DENVER—The Roy D. Wilcox General Agency of Denver has been appointed general agent of Halifax Fire for Colorado and Wyoming. When he was in Denver recently, W. A. Bartlett, western manager of Halifax, who made the appointment, arranged for the company to join the Rocky Mountain Fire Underwriters Association.

Conclude Los Angeles Lectures

LOS ANGELES—At the final class in the Insurance Exchange of Los Angeles lectures series under the auspices of the California Institute of Insurance, Marshall Rankin, special agent Aetna Fire, spoke on "Capital Stock Insurance."

Final examinations will be held July 9 and July 13.

Pink Advanced by Canadian Fire

Harold E. Pink has been appointed branch manager in San Francisco for Canadian Fire and Canadian Indemnity, succeeding the late N. S. Pistolesi. Mr. Pink has been with the two companies for 13 years and in 1938 he was transferred to the Los Angeles branch.

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where he has been in charge of the casualty department.

NEWS BRIEFS

R. L. Blangy has disposed of his interest in W. H. Opie & Co., Tacoma Wash., agency, and has resigned as secretary-treasurer. C. C. Opie, president, has acquired Mr. Blangy's holdings, while Orville W. Hunter, long associated with the firm as auditor, has been elected secretary-treasurer. Warren S. Lagerquist, for many years manager of the insurance department, has been elected vice-president.

The annual picnic sponsored by the Portland, Ore., Association of Insurance Agents, in cooperation with the fieldmen, general agents and adjusters has been scheduled for July 16 at Jantzen Beach. Fred E. Jewett, the perennial chairman of the event, is again in charge.

Management of the R. W. Jones Agency of Tacoma, Wash., has been taken over by L. E. Munyan, a member of the staff for the past several years, following the recent death of R. W. Jones, proprietor. The agency has taken new quarters in the Rust building.

San Diego Insurance Exchange will hold its final summer educational meeting on July 13. Albert E. Peacock, special agent Massachusetts Bonding, will speak on "Dwelling Lines, Including Burglary and Glass."

Frank Colridge, executive secretary of the California Association of Insurance Agents, is in southern California on a two week visit to local associations.

Representation of the Century of Edinburgh in Washington has been discontinued by McCollister & Campbell, Inc., general agents of Seattle.

The Seattle office of the Republic of Texas has been moved to 1104 American building, according to Charles J. Ryan, branch manager.

Arnold Wang, Bremerton, Wash., local agent, is convalescing at his home following a heart attack.

A new agency has been established at Mount Vernon, Wash., by Simon Groot.

Founders Mutual Fire is the title of a new company with headquarters in Los Angeles that has been licensed by the California department.

Hansen & Rowland, Inc., Northwest general agents, have entered the London Guarantee and the United Firemen's in Idaho.

W. D. Klontz, Seattle local agent, has joined the M. B. Hevly-Scott Agency, headed by Williard Scott.

CANADIAN

Booklet Sets Forth History of Western Canada Board

TORONTO—A booklet setting forth achievements by board companies, has been issued by the Western Canada Insurance Underwriters Association on the 60th anniversary of the founding of organized insurance associations in the west. The booklet is entitled "Trailing the Blaze."

It sets forth that the Manitoba Board was formed in 1882, and in 1886 there were 23 members, many of whom are still associated with the board. The original objective was to secure uniformity in premium rates, rules for the welfare of the business, to serve the public by keeping rates low, reduce fire hazards and safeguard life and property.

Many Progressive Activities

In 1911 the board began to make its own plans and mapped towns, cities and villages. In 1914 there were 90 company members. Recommendations were made to western insurance superintendents as a result of which standard fire policy statutory conditions were adopted. Grain insurance had assumed first rank importance and the board formed the Grain Insurance Association in 1917 to specialize in insuring grain elevator properties and maintain inspection service.

The board when it was 50 years old had 190 members. It had mapped, inspected and rated 585 cities and towns in western Canada.

Ontario Fire Premiums Up 18.9% in 1941, Auto 9.7%

TORONTO—An increase of 18.9 percent in fire insurance premiums in Ontario in 1941 is shown in the annual report of Superintendent McNairn. Net premiums written in Ontario by all companies in 1941 were \$21,944,046, an increase of \$3,489,291. Part of this increase, Mr. McNairn explains, was due to policies being written for terms of three years and over, which was not possible in former years. Net premiums earned were not affected by the term for which policies are written and in 1941 totaled \$18,882,687, an increase of \$476,568 or 2.6 percent over 1940. Net losses incurred were \$7,515,479 in 1941 as compared with \$7,434,245 in

1940. The ratio of net losses incurred to net premiums earned was 39.8 percent for 1941 and 40.39 percent for 1940.

Automobile net premiums written in 1941 were \$13,315,564, an increase of \$1,180,320 or 9.7 percent over 1940. Losses incurred were \$6,751,708, an increase over 1940 of \$51,326, and the ratio of losses to premiums earned was 53.20 percent. An accurate comparison of this loss ratio cannot be made with previous years, as expenses for adjust-

ing claims, which were included for previous years, are not included in the 1941 losses.

Change B. C. Declaration Rules

VANCOUVER—The British Columbia Underwriters Association has promulgated new rules for declaration policies, reducing the minimum amount of insurance to qualify to \$25,000, and changing minimum premium to \$100.

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Coverage has also been provided for lumber and other forest products, with minimum insurance of \$50,000 being required.

Licensing Protest in Quebec

Strong opposition has been voiced by the Insurance Brokers Association of the Province of Quebec with regard to the movement to permit the licensing of employees of automobile concerns as part-time agents. Similar opposition

has been voiced by the Ontario Fire & Casualty Agents Association.

Members of the Quebec association have been told that protest against such a plan has been forwarded to the provincial government.

The Quebec association is also opposing the restrictions applied to the use of gasoline to the extent that it is endangering the maintenance of business by fire and casualty agents in rural sections while, at the same time, many cars are still permitted to consume gasoline purely for pleasure.

New York of which James Mather is marine manager. Mr. Weyant has been with the office since 1917. The position of marine secretary has been vacant since 1931.

Brough to Swett & Crawford

Winston Brough, for two years with the marine department of the National Fire group at San Francisco, has returned to Seattle, his home city, and has joined Swett & Crawford as marine special agent. Mr. Brough gained his first insurance experience with the Washington Insurance Examining Bureau following his graduation from the University of Washington in 1937.

Air Views on Providing War Injury Benefits

(CONTINUED FROM PAGE 17)

hoped that an agreement could be reached in advance that adjustments could be made under state law without raising the question of state jurisdiction because to do so would only involve litigation and invite delay.

If the bill were adopted in connection with a general disability program for the entire population, William Haber of the budget bureau said he felt the legislation should be integrated with the general provisions for social insurance already prevailing, turning over the problem to the Federal Security Agency.

Other speakers included Geoffrey May, Federal Security Agency; Brigadier General F. T. Hines, administrator of veterans' affairs; J. J. Keegan, commissioner United States Employees' Compensation Commission; V. J. Skutt, representing the Health & Accident Underwriters Conference, and several others. Mr. Skutt outlined that organization's new policy to cover civilian war injuries.

The Senate finance committee now is working on a bill to provide civilian war

risk benefits to replace those eliminated from the Pepper bill.

The Senate passed and sent to the House Title 3 of the Pepper bill authorizing benefits for civilian personnel injured, killed or captured in war action in military installations outside of the United States, but eliminated provisions authorizing payments of monthly benefits for civilians within the United States.

There is a disposition at present to base civilian war risk insurance on rules and regulations other than those of the workmen's compensation acts. A plea has been made to the Senate finance committee for early enactment of legislation giving civilians protection against loss of life and injury due to war action. A number of persons already have been injured as a result of war activities, it was said.

Budget Bureau Man Speaks

William Haber, insurance expert and special assistant to the budget bureau director of the government, told the committee that state compensation laws cover only 20,000,000 persons and vary considerably between states as to amounts of compensation paid. Experience in England indicates that war injuries to civilians occur more often in homes and on the street than in factories. The budget bureau feels that compensation laws should not be used as a basis for administering this program because such laws do not cover the entire population or numerous circumstances under which injuries might occur.

Mr. Haber said that about \$102,000 already has been paid to the dependents of persons, mainly contractors' employees.

Chairman Landis of the Office of Civilian Defense told the committee that some form of compensation for civilian defense workers injured in line of duty is necessary. Seven workers have been killed and 32 injured in this work, he said. It is difficult to enlist workers in the program because the government gives them no protection, he stated.

MARINE INSURANCE NEWS

Sale of PPF in Maryland Gets Second Wind

In the current edition of the monthly bulletin of the Maryland Association of Insurance Agents there is contained an interesting article on the personal property floater written by Owen A. Donegan, manager of the Baltimore branch of Fidelity & Deposit. It is particularly interesting because F. & D. so far as is known, is the only casualty-surety company that is writing the personal property floater.

Mr. Donegan said that the policy is now getting its second wind in Maryland. When it was first authorized in the state, the interest of all agents was aroused and each of them quickly brought the policy to the attention of all well-to-do customers. A substantial premium volume was developed in a very short order. Then there was a letdown but recently various producers have discovered that it is relatively easy to sell policies to those whose incomes are in the middle brackets.

Prospects Are Outlined

Mr. Donegan states that every professional or business man with an annual income of about \$3,500 or more and who has been carrying residence burglary and fire contents insurance should find the property floater policy attractive. The contract is primarily suitable for middle class people rather than being suitable only for the well to do.

A middle class householder who does not require a large amount of insurance may find that the annual premium of a policy subject to a small deductible will be as low as \$25. The vacation season is a particularly good time in which to solicit the business because of the exposure to property while the owner is away and also because it covers personal effects that are taken to a summer place.

Sometimes the premium for a personal property floater is actually less than the sum of the premiums for the various individual policies but even if the premium is somewhat more than the aggregate of the displaced policies the broad coverage should make it attractive to any householder who is insurance conscious.

Mr. Donegan cites a number of actual losses that have occurred that have been covered under a personal property floater that would not have been covered under the ordinary contract. For instance, the entire contents of a house were ruined when it caved in as a result of the foundation being undermined by rain. A boiler in the basement of a house exploded and severely damaged furniture and other personal property. Windows of a house being left open, rain came in and damaged drapes and

curtains. A skylight was broken and rain damaged furniture. Draperies, cushions and other personal property near the windows were damaged by thawing ice. A piano was destroyed when a stairway collapsed while the piano was being moved. Fancy drapery was damaged when it was sucked into an electric fan. Rugs were damaged by water overflowing from a bath tub. Rugs and other articles were damaged by spilling ink, iodine and other liquids. Upholstered furniture was stained by food spilled during a buffet supper. Wearing apparel was chewed and torn by a dog. Furniture was damaged by a woodpecker that flew in through an open window. Children inserted the nozzle of a hose into the mail slot in the door of a house and rugs and other furnishings were damaged. A pendulum falling from a large clock tipped over and broke a valuable floor lamp.

Effective Date of New Rules and Forms Now Sept. 1

TORONTO—Effective date of the personal property floater rules and forms, and other rules and forms adopted, has been postponed from July 1 to Sept. 1, by the Canadian Inland Underwriters Association. Several rules changes have been announced by Wilson McLean, manager. The forms may be used prior to Sept. 1 but are not mandatory until that date.

Rule 3 of the general rules is repealed. The substitute prescribes that where a continuous policy or a policy for a longer term than is permitted under the rules which were written subsequent to March 31, 1942, is in effect when the new rules and forms go in force, applicable to the class of business, the policy shall be canceled and rewritten on or before its first anniversary date in compliance with the rules and forms.

Rule 2 (c) (1) of the personal property floater policy rules and forms is amended to make it advisory only for the time being. Clause 5 of the personal property floater forms—additional living expense endorsement—is repealed and there is substituted a provision that in event the principal residence specified is rendered uninhabitable by loss of or damage to it or personal property situated therein caused by a peril not excluded under clause 13, subject to all terms and conditions contained in this policy, the insurer also will pay to the assured the additional living or hotel expense over and above the rental value of the residence unfurnished, which is incurred by assured in maintaining, as far as practicable, the normal conduct of his household, but subject to due diligence and dispatch in reinstating property. It is agreed the extended coverage is limited to 10 percent of the amount of insurance in force under paragraph 3b of the policy at the time loss occurs and shall not increase the total amount of insurance.

This clause parallels one adopted in the new dwelling form recently announced by the Canadian Underwriters' Association.

Weyant Marine Secretary

R. F. Weyant has been appointed marine secretary of the Union Marine & General, Phoenix Assurance, Norwich Union Fire and Columbia of

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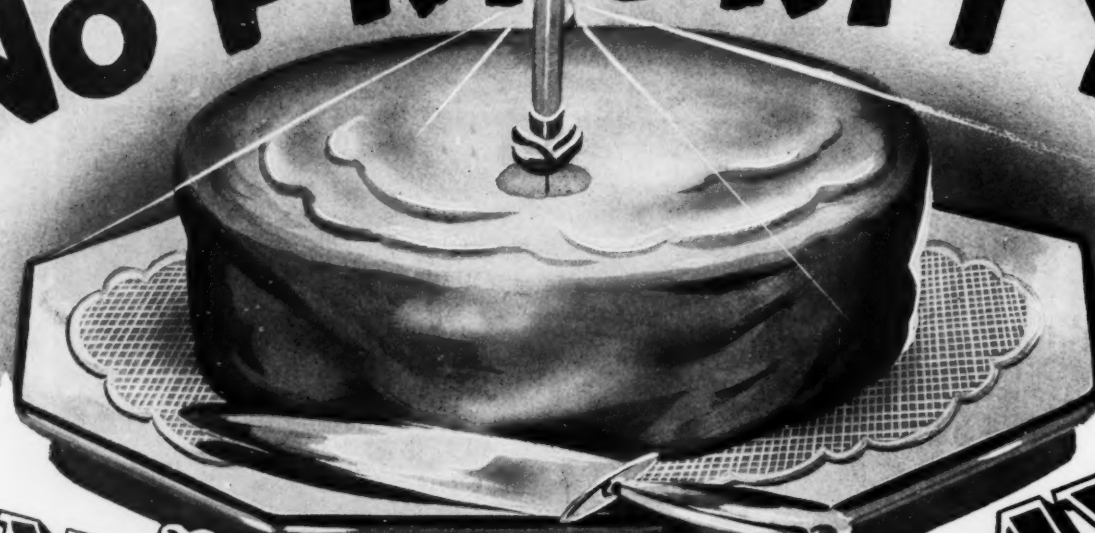


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Managed by progressive underwriters, the "Mercantile" has participated liberally in the development of the fire insurance business here. Its accomplishments are a tribute to the loyal cooperation and support it has always received from the agency force. Its present strong financial condition is best shown by the following statement as of December 31st, 1941:

*Assets	=	=	=	\$7,692,288.81
Liabilities	=	=	=	<u>2,649,977.86</u>
*Surplus to Policyholders	=			\$5,042,310.95

* On the basis of December 31st, 1941 market quotations for all bonds and stocks owned, the total Admitted Assets would be increased to \$8,026,316.68, and the Surplus to Policyholders to \$5,376,338.82.



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